

ANNUAL FINANCIAL REPORT

CARROLL COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2017



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
CARROLL COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2017

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

LEE ANN WEST, CPA, CGFM
Audit Manager

JUSTIN PETERING
SHELBI TUCKER
ELISHA CROWELL, CISA, CFE
State Auditors

This financial report is available at **www.comptroller.tn.gov**

CARROLL COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Carroll County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	25-27
Highway/Public Works Fund	C-6	28-29
Proprietary Fund:		
Statement of Net Position	D-1	30
Statement of Revenues, Expenses, and Changes in Net Position	D-2	31
Statement of Cash Flows	D-3	32-33
Fiduciary Funds:		
Statement of Fiduciary Net Position	E-1	34
Statement of Changes in Fiduciary Net Position	E-2	35
Index and Notes to the Financial Statements		36-96
REQUIRED SUPPLEMENTARY INFORMATION:		97
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government - Carroll County	F-1	98
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government - Carroll County Commissioners	F-2	99

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government - Carroll County	F-3	100
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government - Carroll County Commissioners	F-4	101
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Carroll County School Department	F-5	102
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Carroll County School Department	F-6	103
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Carroll County School Department	F-7	104
Schedule of Funding Progress – Other Postemployment Benefits Plans – Carroll County Board of Public Utilities Fund and Discretely Presented Carroll County School Department	F-8	105
Notes to the Required Supplementary Information		106
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		107
Nonmajor Governmental Funds:		108
Combining Balance Sheet	G-1	109-110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	111-112
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
Solid Waste/Sanitation Fund	G-3	113
Drug Control Fund	G-4	114
General Debt Service Fund	G-5	115
Fiduciary Funds:		116
Combining Statement of Fiduciary Assets and Liabilities	H-1	117
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	118-119
Component Unit:		
Discretely Presented Carroll County School Department:		120
Statement of Activities	I-1	121
Balance Sheet – Governmental Funds	I-2	122
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	123
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	124
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	125
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-6	126-127
School Transportation Fund	I-7	128

	Exhibit	Page(s)
Miscellaneous Schedules:		129
Schedule of Changes in Long-term Notes and Other Loans	J-1	130
Schedule of Long-term Debt Requirements by Year	J-2	131
Schedule of Transfers	J-3	132
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Carroll County School Department	J-4	133
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	134-147
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Carroll County School Department	J-6	148-149
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	150-167
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Carroll County School Department	J-8	168-174
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	J-9	175
<u>SINGLE AUDIT SECTION</u>		176
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government</i> <i>Auditing Standards</i>		177-178
Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance		179-181
Schedule of Expenditures of Federal Awards and State Grants		182-183
Summary Schedule of Prior-year Findings		184
Schedule of Findings and Questioned Costs		185-190
Management's Corrective Action Plan		191-198
Best Practice		199

Summary of Audit Findings

Annual Financial Report
Carroll County, Tennessee
For the Year Ended June 30, 2017

Scope

We have audited the basic financial statements of Carroll County as of and for the year ended June 30, 2017.

Results

Our report on Carroll County's financial statements is unmodified.

Our audit resulted in four findings and recommendations, which we have reviewed with Carroll County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The office had deficiencies in budget operations.
- ◆ Usernames and passwords were shared by solid waste employees.

OFFICE OF CLERK AND MASTER

- ◆ The docket trial balance was not reconciled with general ledger accounts.

OFFICES OF TRUSTEE, CLERK AND MASTER, AND SHERIFF

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Carroll County Officials

June 30, 2017

Officials

Kenny McBride, County Mayor
John McAdams, Director of Schools
Paula Bolen, Trustee
Rita Jones, Assessor of Property
Darlene Kirk, County Clerk
Bertha Taylor, Circuit, General Sessions, and Juvenile Courts Clerk
Kenneth Todd, Clerk and Master
Natalie Porter, Register of Deeds
Andy Dickson, Sheriff

Board of County Commissioners

Kenny McBride, County Mayor, Chairman
Bobby Argo
John Austin
Johnny Blount
Manuel Crossno
Joey Darnall
Hal Eason
Willie Huffman
Randy Long
John Mann
Jimmy McClure

Ronnie Murphy
Lori Nolen
Ronnie Owen
Steve Parker
Will Radford
Darrell Ridgley
Gerald Scarbrough
Larry Spencer
Gaylon Sydnor
Joel Washburn
Paula Watkins

Highway Commission

Kenny McBride, County Mayor, Chairman
Scotty Bailey
Ricky Scott

Board of Education

Harold McLain, Jr., Chairman
Kenna Bailey
Debbie Broadbent
Tonya Phifer
Jimmy Simmons
Antoinette Stokes

Audit Committee

John Mann, Chairman
Johnny Blount
Ronnie Murphy
Steve Parker
John Wright

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's Report

Carroll County Mayor and
Board of County Commissioners
Carroll County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carroll County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Carroll County Board of Public Utilities, a major fund and the entire business-type activities. Also, we did not audit the financial statements of the Carroll County Indigent Care Board (a fiduciary fund), which represent 22 percent, 58 percent, and one percent, respectively, of the assets, net position, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us,

and our opinion, insofar as it relates to the amounts included for the Carroll County Board of Public Utilities and Carroll County Indigent Care Board, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carroll County, Tennessee, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension asset and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedule of funding progress - other postemployment benefits plans on pages 98-106 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carroll County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Carroll County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Carroll County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

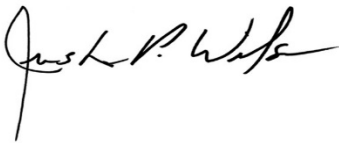
basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Carroll County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017, on our consideration of Carroll County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Carroll County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carroll County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 19, 2017

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Carroll County, Tennessee
Statement of Net Position
June 30, 2017

	Primary Government			Component Unit
	Governmental	Business-type	Total	Carroll County School Department
	Activities	Activities		
<u>ASSETS</u>				
Cash	\$ 23,685	\$ 2,876,268	\$ 2,899,953	\$ 0
Equity in Pooled Cash and Investments	6,087,942	0	6,087,942	7,835,274
Inventories	0	606,371	606,371	0
Investments	0	7,189,897	7,189,897	0
Accounts Receivable	0	3,244,143	3,244,143	0
Allowance for Uncollectibles	0	(25,000)	(25,000)	0
Due from Other Governments	794,428	0	794,428	11,449
Due from Component Units	23,223	0	23,223	0
Property Taxes Receivable	6,107,584	0	6,107,584	388,769
Allowance for Uncollectible Property Taxes	(267,909)	0	(267,909)	(21,441)
Prepaid Items and Other Current Assets	0	246,090	246,090	0
Net Pension Asset - Commissioners Agent Plan	60,570	0	60,570	0
Capital Assets:				
Assets Not Depreciated:				
Land	1,747,068	284,070	2,031,138	176,489
Construction in Progress	1,081,264	19,119	1,100,383	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	13,909,681	0	13,909,681	753,335
Infrastructure	7,062,065	0	7,062,065	0
Other Capital Assets	2,405,056	20,308,378	22,713,434	2,528,675
Total Assets	\$ 39,034,657	\$ 34,749,336	\$ 73,783,993	\$ 11,672,550
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 189,717	\$ 0	\$ 189,717	\$ 47,303
Pension Changes in Investment Earnings	559,662	0	559,662	263,322
Pension Other Deferrals	0	0	0	5,232
Pension Contributions After Measurement Date	505,255	0	505,255	163,649
Total Deferred Outflows of Resources	\$ 1,254,634	\$ 0	\$ 1,254,634	\$ 479,506
<u>LIABILITIES</u>				
Accounts Payable	\$ 664,719	\$ 3,032,210	\$ 3,696,929	\$ 0
Payroll Deductions Payable	137,200	0	137,200	23,742
Accrued Leave	0	304,611	304,611	0
Accrued Interest Payable	58,063	0	58,063	0
Due to Primary Government	0	0	0	23,223
Due to State of Tennessee	5	0	5	0
Other Current Liabilities	0	764,736	764,736	0
Customer Deposits Payable	0	964,507	964,507	0
Noncurrent Liabilities:				
Due Within One Year	541,071	0	541,071	0
Due in More Than One Year	8,889,247	1,030,091	9,919,338	230,191
Total Liabilities	\$ 10,290,305	\$ 6,096,155	\$ 16,386,460	\$ 277,156

(Continued)

Exhibit A

Carroll County, Tennessee
Statement of Net Position (Cont.)

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Carroll County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 5,631,779	\$ 0	\$ 5,631,779	\$ 346,713
Pension Changes in Experience	328,708	0	328,708	218,288
Pension Other Deferrals	0	0	0	27,431
Total Deferred Inflows of Resources	<u>\$ 5,960,487</u>	<u>\$ 0</u>	<u>\$ 5,960,487</u>	<u>\$ 592,432</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 17,400,134	\$ 20,611,567	\$ 38,011,701	\$ 3,458,499
Restricted for:				
General Government	208,007	0	208,007	0
Finance	22,536	0	22,536	0
Administration of Justice	34,799	0	34,799	0
Public Safety	504,551	0	504,551	0
Public Health and Welfare	273,365	0	273,365	0
Highways/Public Works	144,232	0	144,232	0
Instruction	0	0	0	11,924
Support Services	0	0	0	13,902
Operation of Non-instructional Services	0	0	0	3,765
Debt Service	1,074,052	0	1,074,052	0
Pensions	60,570	0	60,570	0
Unrestricted	<u>4,316,253</u>	<u>8,041,614</u>	<u>12,357,867</u>	<u>7,794,378</u>
Total Net Position	<u>\$ 24,038,499</u>	<u>\$ 28,653,181</u>	<u>\$ 52,691,680</u>	<u>\$ 11,282,468</u>

The notes to the financial statements are an integral part of this statement.

Exhibit B

Carroll County, Tennessee
Statement of Activities
For the Year Ended June 30, 2017

		Net (Expense) Revenue and Changes in Net Position						
		Program Revenues			Primary Government			Component Unit
		Charges for	Operating Grants and	Capital Grants and	Total Governmental	Business-type		Carroll County School
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	Department
Primary Government:								
Governmental Activities:								
General Government	\$ 1,722,864	\$ 225,490	\$ 434,019	\$ 370,533	\$ (692,822)	\$ 0	\$ (692,822)	\$ 0
Finance	817,954	632,270	0	0	(185,684)	0	(185,684)	0
Administration of Justice	1,051,172	763,253	0	0	(287,919)	0	(287,919)	0
Public Safety	6,657,331	1,101,387	755,721	558,626	(4,241,597)	0	(4,241,597)	0
Public Health and Welfare	2,057,759	1,242,597	378,780	139,323	(297,059)	0	(297,059)	0
Social, Cultural, and Recreational Services	753,748	73,363	33,719	953	(645,713)	0	(645,713)	0
Agriculture and Natural Resources	159,491	0	0	0	(159,491)	0	(159,491)	0
Highways/Public Works	2,755,954	104	2,031,250	548,144	(176,456)	0	(176,456)	0
Interest on Long-term Debt	196,256	0	0	0	(196,256)	0	(196,256)	0
Total Governmental Activities	\$ 16,172,529	\$ 4,038,464	\$ 3,633,489	\$ 1,617,579	\$ (6,882,997)	\$ 0	\$ (6,882,997)	\$ 0
Business-type Activities:								
Public Utility	\$ 36,970,588	\$ 37,770,599	\$ 0	\$ 0	\$ 0	\$ 800,011	\$ 800,011	\$ 0
Total Business-type Activities	\$ 36,970,588	\$ 37,770,599	\$ 0	\$ 0	\$ 0	\$ 800,011	\$ 800,011	\$ 0
Total Primary Government	\$ 53,143,117	\$ 41,809,063	\$ 3,633,489	\$ 1,617,579	\$ (6,882,997)	\$ 800,011	\$ (6,082,986)	\$ 0
Component Unit:								
Carroll County School Department	\$ 4,047,817	\$ 797,433	\$ 131,873	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,118,511)
Total Component Unit	\$ 4,047,817	\$ 797,433	\$ 131,873	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,118,511)

(Continued)

Exhibit B

Carroll County, Tennessee
Statement of Activities (Cont.)

		Net (Expense) Revenue and Changes in Net Position						
		Program Revenues						Component Unit
			Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Carroll County School Department
Functions/Programs	Expenses	Charges for Services			Total Governmental Activities	Business-type Activities	Total	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 4,889,073	\$ 0	\$ 4,889,073	\$ 530,630
Property Taxes Levied for Debt Service					455,834	0	455,834	0
Local Option Sales Taxes					172,610	0	172,610	60,646
Wheel Tax					1,319,428	0	1,319,428	0
Litigation Taxes					235,902	0	235,902	0
Business Tax					195,892	0	195,892	0
Wholesale Beer Tax					64,536	0	64,536	0
Other Local Taxes					54,543	0	54,543	46
Grants and Contributions Not Restricted to Specific Programs					392,205	0	392,205	2,836,261
Unrestricted Investment Income					42,187	34,387	76,574	0
Miscellaneous					136,454	0	136,454	18,741
Total General Revenues					\$ 7,958,664	\$ 34,387	\$ 7,993,051	\$ 3,446,324
Transfers								
					\$ 408,044	\$ (408,044)	\$ 0	\$ 0
Change in Net Position								
Net Position, July 1, 2016					\$ 1,483,711	\$ 426,354	\$ 1,910,065	\$ 327,813
Net Position, June 30, 2017					22,554,788	28,226,827	50,781,615	10,954,655

The notes to the financial statements are an integral part of this statement.

Exhibit C-1

Carroll County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2017

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
		Highway /	Other	Total
	General	Public Works	Governmental Funds	Governmental Funds
<u>ASSETS</u>				
Cash	\$ 250	\$ 0	\$ 23,435	\$ 23,685
Equity in Pooled Cash and Investments	3,097,040	857,608	2,133,294	6,087,942
Due from Other Governments	321,985	352,981	119,462	794,428
Due from Other Funds	58,653	0	20,692	79,345
Due from Component Units	23,223	0	0	23,223
Property Taxes Receivable	4,696,346	334,886	1,076,352	6,107,584
Allowance for Uncollectible Property Taxes	(209,178)	(14,916)	(43,815)	(267,909)
Total Assets	\$ 7,988,319	\$ 1,530,559	\$ 3,329,420	\$ 12,848,298
<u>LIABILITIES</u>				
Accounts Payable	\$ 664,719	\$ 0	\$ 0	\$ 664,719
Payroll Deductions Payable	129,194	0	8,006	137,200
Due to Other Funds	20,692	13,272	45,381	79,345
Due to State of Tennessee	5	0	0	5
Total Liabilities	\$ 814,610	\$ 13,272	\$ 53,387	\$ 881,269
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,321,973	\$ 308,190	\$ 1,001,616	\$ 5,631,779
Deferred Delinquent Property Taxes	114,586	7,944	20,850	143,380
Other Deferred/Unavailable Revenue	63,968	182,690	108,632	355,290
Total Deferred Inflows of Resources	\$ 4,500,527	\$ 498,824	\$ 1,131,098	\$ 6,130,449

(Continued)

Exhibit C-1

Carroll County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
		Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
	<u>General</u>			
<u>FUND BALANCES</u>				
Restricted:				
Restricted for General Government	\$ 34,268	\$ 0	\$ 0	\$ 34,268
Restricted for Finance	22,536	0	0	22,536
Restricted for Administration of Justice	34,799	0	0	34,799
Restricted for Public Safety	285,776	0	218,775	504,551
Restricted for Public Health and Welfare	155,797	0	0	155,797
Restricted for Debt Service	0	0	1,117,646	1,117,646
Restricted for Other Purposes	173,739	0	0	173,739
Committed:				
Committed for Administration of Justice	0	0	12,385	12,385
Committed for Public Health and Welfare	0	0	485,973	485,973
Committed for Social, Cultural, and Recreational Services	111,543	0	0	111,543
Committed for Highways/Public Works	0	1,018,463	0	1,018,463
Committed for Debt Service	0	0	310,156	310,156
Unassigned	1,854,724	0	0	1,854,724
Total Fund Balances	<u>\$ 2,673,182</u>	<u>\$ 1,018,463</u>	<u>\$ 2,144,935</u>	<u>\$ 5,836,580</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,988,319</u>	<u>\$ 1,530,559</u>	<u>\$ 3,329,420</u>	<u>\$ 12,848,298</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Carroll County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2017

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	5,836,580
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,747,068	
Add: construction in progress		1,081,264	
Add: buildings and improvements net of accumulated depreciation		13,909,681	
Add: infrastructure net of accumulated depreciation		7,062,065	
Add: other capital assets net of accumulated depreciation		<u>2,405,056</u>	26,205,134
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(930,000)	
Less: other loans payable		(7,875,000)	
Less: accrued interest on notes and other loans		(58,063)	
Less: compensated absences payable		(321,439)	
Less: net pension liability - agent plan		<u>(303,879)</u>	(9,488,381)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,254,634	
Less: deferred inflows of resources related to pensions		<u>(328,708)</u>	925,926
(4) Net pension assets of the commissioners agent plan are not current financial resources and therefore are not reported in the governmental funds.			60,570
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>498,670</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>24,038,499</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-3

Carroll County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	Major Funds		Nonmajor Funds	
	General	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 6,128,388	\$ 857,654	\$ 966,110	\$ 7,952,152
Licenses and Permits	225	0	0	225
Fines, Forfeitures, and Penalties	188,091	0	140,678	328,769
Charges for Current Services	312,382	54	1,260,427	1,572,863
Other Local Revenues	478,178	31,701	87,897	597,776
Fees Received From County Officials	1,017,576	0	0	1,017,576
State of Tennessee	2,346,883	2,584,514	53,024	4,984,421
Federal Government	491,388	0	0	491,388
Other Governments and Citizens Groups	28,821	0	0	28,821
Total Revenues	\$ 10,991,932	\$ 3,473,923	\$ 2,508,136	\$ 16,973,991
<u>Expenditures</u>				
Current:				
General Government	\$ 2,540,500	\$ 0	\$ 0	\$ 2,540,500
Finance	698,823	0	0	698,823
Administration of Justice	920,649	0	91,421	1,012,070
Public Safety	5,871,158	0	73,772	5,944,930
Public Health and Welfare	439,226	0	1,715,418	2,154,644
Social, Cultural, and Recreational Services	579,161	0	0	579,161
Agriculture and Natural Resources	91,289	0	0	91,289
Other Operations	1,338,329	0	0	1,338,329
Highways	0	3,574,094	39,836	3,613,930
Debt Service:				
Principal on Debt	0	85,000	357,000	442,000
Interest on Debt	0	4,404	181,398	185,802
Other Debt Service	0	0	19,584	19,584
Total Expenditures	\$ 12,479,135	\$ 3,663,498	\$ 2,478,429	\$ 18,621,062

(Continued)

Exhibit C-3

Carroll County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds		Nonmajor Funds	
	General	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,487,203)	\$ (189,575)	\$ 29,707	\$ (1,647,071)
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 550,000	\$ 380,000	\$ 0	\$ 930,000
Insurance Recovery	33,522	0	0	33,522
Transfers In	320,090	24,263	63,691	408,044
Total Other Financing Sources (Uses)	\$ 903,612	\$ 404,263	\$ 63,691	\$ 1,371,566
Net Change in Fund Balances	\$ (583,591)	\$ 214,688	\$ 93,398	\$ (275,505)
Fund Balance, July 1, 2016	3,256,773	803,775	2,051,537	6,112,085
Fund Balance, June 30, 2017	\$ 2,673,182	\$ 1,018,463	\$ 2,144,935	\$ 5,836,580

The notes to the financial statements are an integral part of this statement.

Exhibit C-4

Carroll County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

Amounts reported for governmental activities in the
statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	(275,505)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	3,592,521	
Less: current-year depreciation expense		<u>(1,916,940)</u>	1,675,581
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: assets donated and capitalized			457,173
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2017	\$	498,670	
Less: deferred delinquent property taxes and other deferred June 30, 2016		<u>(681,638)</u>	(182,968)
(4) The issuance of long-term debt (e.g., notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Less: note proceeds	\$	(930,000)	
Add: principal payments on notes		85,000	
Add: principal payments on other loans		<u>357,000</u>	(488,000)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	(2,382)	
Change in compensated absences payable		(4,384)	
Change in net pension asset/liability - agent plan		(364,827)	
Change in net pension asset - commissioners agent plan		23,908	
Change in deferred outflows related to pensions		524,332	
Change in deferred inflows related to pensions		<u>120,783</u>	297,430
Change in net position of governmental activities (Exhibit B)			<u>\$ 1,483,711</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-5

Carroll County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,128,388	\$ 0	\$ 0	\$ 6,128,388	\$ 6,430,458	\$ 6,105,458	\$ 22,930
Licenses and Permits	225	0	0	225	1,500	1,500	(1,275)
Fines, Forfeitures, and Penalties	188,091	0	0	188,091	179,600	179,600	8,491
Charges for Current Services	312,382	0	0	312,382	270,500	270,500	41,882
Other Local Revenues	478,178	0	0	478,178	432,600	503,678	(25,500)
Fees Received From County Officials	1,017,576	0	0	1,017,576	970,000	970,000	47,576
State of Tennessee	2,346,883	0	0	2,346,883	3,349,317	3,349,317	(1,002,434)
Federal Government	491,388	0	0	491,388	873,340	873,340	(381,952)
Other Governments and Citizens Groups	28,821	0	0	28,821	30,000	35,000	(6,179)
Total Revenues	\$ 10,991,932	\$ 0	\$ 0	\$ 10,991,932	\$ 12,537,315	\$ 12,288,393	\$ (1,296,461)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 51,299	\$ 0	\$ 0	\$ 51,299	\$ 70,870	\$ 70,870	\$ 19,571
Board of Equalization	8,552	0	0	8,552	18,646	18,646	10,094
Beer Board	0	0	0	0	500	500	500
Other Boards and Committees	179	0	0	179	1,845	1,845	1,666
County Mayor/Executive	284,560	0	0	284,560	285,066	292,609	8,049
County Attorney	7,807	0	0	7,807	15,000	15,000	7,193
Election Commission	183,573	0	0	183,573	196,901	196,901	13,328
Register of Deeds	183,690	0	0	183,690	195,993	195,993	12,303
County Buildings	1,820,840	0	0	1,820,840	1,427,626	2,098,704	277,864
<u>Finance</u>							
Property Assessor's Office	226,877	0	0	226,877	238,861	238,861	11,984
Reappraisal Program	18,630	0	0	18,630	23,850	23,850	5,220
County Trustee's Office	206,765	0	0	206,765	205,443	208,190	1,425
County Clerk's Office	246,551	0	0	246,551	263,366	263,366	16,815
<u>Administration of Justice</u>							
Circuit Court	364,283	0	0	364,283	398,167	398,167	33,884
General Sessions Judge	140,066	0	0	140,066	141,806	141,806	1,740

(Continued)

Exhibit C-5

Carroll County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
Drug Court	\$ 7,500	\$ 0	\$ 0	\$ 7,500	\$ 7,500	\$ 7,500	\$ 0
Chancery Court	185,575	0	0	185,575	185,047	197,190	11,615
Juvenile Court	178,057	0	0	178,057	196,106	196,106	18,049
Judicial Commissioners	5,168	0	0	5,168	5,236	5,236	68
Victim Assistance Programs	40,000	0	0	40,000	10,000	40,000	0
<u>Public Safety</u>							
Sheriff's Department	1,937,960	0	0	1,937,960	2,030,591	2,030,591	92,631
Administration of the Sexual Offender Registry	2,631	0	0	2,631	5,050	5,050	2,419
Jail	2,446,357	0	0	2,446,357	2,549,263	2,549,263	102,906
Juvenile Services	1,002,481	0	0	1,002,481	993,495	1,022,896	20,415
Fire Prevention and Control	342,986	0	0	342,986	318,040	393,040	50,054
Civil Defense	106,356	0	0	106,356	122,096	122,096	15,740
County Coroner/Medical Examiner	32,387	0	0	32,387	28,675	32,925	538
Other Public Safety	0	0	0	0	2,500	2,500	2,500
<u>Public Health and Welfare</u>							
Local Health Center	411,074	0	0	411,074	415,870	428,960	17,886
Rabies and Animal Control	13,924	0	0	13,924	18,400	18,400	4,476
General Welfare Assistance	800	0	0	800	2,400	2,400	1,600
Other Local Welfare Services	13,428	0	0	13,428	12,710	13,429	1
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	94,866	0	0	94,866	106,175	111,175	16,309
Libraries	102,089	0	0	102,089	92,645	104,645	2,556
Parks and Fair Boards	131,515	0	0	131,515	144,306	144,806	13,291
Other Social, Cultural, and Recreational	250,691	0	0	250,691	260,000	260,000	9,309
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	52,600	0	0	52,600	52,701	52,701	101
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	28,439	0	0	28,439	28,549	28,549	110
Flood Control	8,250	0	0	8,250	16,500	16,500	8,250

(Continued)

Exhibit C-5

Carroll County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations</u>							
Industrial Development	\$ 10,000	\$ 0	\$ 0	\$ 10,000	\$ 10,000	\$ 10,000	\$ 0
Other Economic and Community Development	66,862	0	0	66,862	77,000	77,000	10,138
Airport	850,790	(75,950)	165,533	940,373	1,214,022	1,214,022	273,649
Veterans' Services	27,776	0	0	27,776	29,346	29,346	1,570
Other Charges	330,651	0	0	330,651	348,420	368,420	37,769
Contributions to Other Agencies	52,250	0	0	52,250	50,750	53,250	1,000
Total Expenditures	\$ 12,479,135	\$ (75,950)	\$ 165,533	\$ 12,568,718	\$ 12,819,333	\$ 13,705,304	\$ 1,136,586
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (1,487,203)	\$ 75,950	\$ (165,533)	\$ (1,576,786)	\$ (282,018)	\$ (1,416,911)	\$ (159,875)
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 550,000	\$ 0	\$ 0	\$ 550,000	\$ 0	\$ 550,000	\$ 0
Insurance Recovery	33,522	0	0	33,522	20,000	40,000	(6,478)
Transfers In	320,090	0	0	320,090	100,000	425,000	(104,910)
Total Other Financing Sources	\$ 903,612	\$ 0	\$ 0	\$ 903,612	\$ 120,000	\$ 1,015,000	\$ (111,388)
Net Change in Fund Balance							
Fund Balance, July 1, 2016	\$ (583,591)	\$ 75,950	\$ (165,533)	\$ (673,174)	\$ (162,018)	\$ (401,911)	\$ (271,263)
	3,256,773	(75,950)	0	3,180,823	3,095,417	3,095,417	85,406
Fund Balance, June 30, 2017	\$ 2,673,182	\$ 0	\$ (165,533)	\$ 2,507,649	\$ 2,933,399	\$ 2,693,506	\$ (185,857)

The notes to the financial statements are an integral part of this statement.

Exhibit C-6

Carroll County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 857,654	\$ 0	\$ 857,654	\$ 867,560	\$ 843,297	\$ 14,357
Charges for Current Services	54	0	54	67	67	(13)
Other Local Revenues	31,701	0	31,701	2,500	3,528	28,173
State of Tennessee	2,584,514	0	2,584,514	2,474,000	2,474,000	110,514
Total Revenues	\$ 3,473,923	\$ 0	\$ 3,473,923	\$ 3,344,127	\$ 3,320,892	\$ 153,031
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 219,906	\$ 0	\$ 219,906	\$ 220,939	\$ 227,491	\$ 7,585
Highway and Bridge Maintenance	662,845	0	662,845	744,706	744,706	81,861
Operation and Maintenance of Equipment	418,053	0	418,053	489,743	489,743	71,690
Other Charges	126,543	0	126,543	135,700	145,500	18,957
Employee Benefits	475,945	0	475,945	554,487	554,487	78,542
Capital Outlay	1,670,802	76,472	1,747,274	1,466,958	1,828,235	80,961
<u>Principal on Debt</u>						
Highways and Streets	85,000	0	85,000	85,000	85,000	0
<u>Interest on Debt</u>						
Highways and Streets	4,404	0	4,404	1,016	4,405	1
Total Expenditures	\$ 3,663,498	\$ 76,472	\$ 3,739,970	\$ 3,698,549	\$ 4,079,567	\$ 339,597
Excess (Deficiency) of Revenues						
Over Expenditures	\$ (189,575)	\$ (76,472)	\$ (266,047)	\$ (354,422)	\$ (758,675)	\$ 492,628
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 380,000	\$ 0	\$ 380,000	\$ 0	\$ 379,990	\$ 10
Transfers In	24,263	0	24,263	0	24,263	0
Total Other Financing Sources	\$ 404,263	\$ 0	\$ 404,263	\$ 0	\$ 404,253	\$ 10

(Continued)

Exhibit C-6

Carroll County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 214,688	\$ (76,472)	\$ 138,216	\$ (354,422)	\$ (354,422)	\$ 492,638
Fund Balance, July 1, 2016	803,775	0	803,775	438,140	438,140	365,635
Fund Balance, June 30, 2017	<u>\$ 1,018,463</u>	<u>\$ (76,472)</u>	<u>\$ 941,991</u>	<u>\$ 83,718</u>	<u>\$ 83,718</u>	<u>\$ 858,273</u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-1

Carroll County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2017

	Business-type Activities Major Fund Public Utility
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 2,876,268
Inventories	606,371
Investments	7,189,897
Accounts Receivable	3,244,143
Allowance for Uncollectibles	(25,000)
Prepaid Items and Other Current Assets	246,090
Total Current Assets	<u>\$ 14,137,769</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 284,070
Construction in Progress	19,119
Assets Net of Accumulated Depreciation:	
Other Capital Assets	20,308,378
Total Noncurrent Assets	<u>\$ 20,611,567</u>
Total Assets	<u>\$ 34,749,336</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 3,032,210
Accrued Leave - Current	304,611
Other Current Liabilities	764,736
Customer Deposits Payable	964,507
Total Current Liabilities	<u>\$ 5,066,064</u>
Noncurrent Liabilities:	
Accrued Leave - Long-term	\$ 948,680
Other Postemployment Benefits Obligation	81,411
Total Noncurrent Liabilities	<u>\$ 1,030,091</u>
Total Liabilities	<u>\$ 6,096,155</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 20,611,567
Unrestricted	<u>8,041,614</u>
Total Net Position	<u>\$ 28,653,181</u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-2

Carroll County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2017

	Business-type Activities
	Major Fund
	Public Utility
<u>Operating Revenues</u>	
Charges for Sales and Services	\$ 36,981,890
Other Electric Revenue	788,709
Total Operating Revenues	<u>\$ 37,770,599</u>
<u>Operating Expenses</u>	
Cost of Sales and Services	\$ 30,096,067
Operations Expense	2,548,747
Maintenance Expense	1,339,016
Administrative Expense	1,470,968
Depreciation and Amortization	1,148,245
Other Taxes	366,731
Total Operating Expenses	<u>\$ 36,969,774</u>
Operating Income (Loss)	<u>\$ 800,825</u>
<u>Nonoperating Revenues (Expenses)</u>	
Interest Income	\$ 34,387
Interest Expense	(814)
Total Nonoperating Revenues (Expenses)	<u>\$ 33,573</u>
Income Before Transfers	\$ 834,398
Transfers In (Out)	(408,044)
Change in Net Position	<u>\$ 426,354</u>
Net Position, July 1, 2016	<u>28,226,827</u>
Net Position, June 30, 2017	<u><u>\$ 28,653,181</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-3

Carroll County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2017

	Business-type Activities
	Major Fund
	Public
	Utility
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 37,653,177
Payments to Employees	(2,943,002)
Payments to Suppliers	(33,022,492)
Customer Deposits Received	326,895
Customer Deposits Refunded	(356,565)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,658,013</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Construction and Acquisition of Plant	\$ (1,353,664)
Plant Removal Cost	(135,450)
Materials Salvaged from Retirements	94,386
Interest Paid	(814)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (1,395,542)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	<u>\$ (408,044)</u>
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (408,044)</u>
<u>Cash Flows from Investing Activities</u>	
Purchase of Investment	\$ (7,189,898)
Proceeds from Sale of Investments	6,904,268
Interest Earned	34,387
Net Cash Provided By (Used In) Investing Activities	<u>\$ (251,243)</u>
Net Increase (Decrease) in Cash	\$ (396,816)
Cash, July 1, 2016	<u>3,273,084</u>
Cash, June 30, 2017	<u><u>\$ 2,876,268</u></u>
<u>Reconciliation of Net Operating Income to Net Cash</u>	
<u>Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 800,825
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash	
Provided By (Used In) Operating Activities:	
Depreciation Expense	1,148,245
(Increase) Decrease in Accounts Receivable	(117,421)

(Continued)

Exhibit D-3

Carroll County, Tennessee
Statement of Cash Flows
Proprietary Fund (Cont.)

	Business-type Activities
	Major Fund
	Public
	Utility
<u>Reconciliation of Net Operating Income to Net Cash</u>	
<u>Provided By (Used In) Operating Activities (Cont.)</u>	
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash	
Provided By (Used In) Operating Activities (Cont.):	
(Increase) Decrease in Inventories	\$ (55,194)
(Increase) Decrease in Prepaid Items and Other Current Assets	(4,400)
(Increase) Decrease in Customer Deposits Payable	(29,671)
Increase (Decrease) in Accounts Payable and Accrued Expenses	<u>(84,371)</u>
Net Cash Provided By Operating Activities	<u>\$ 1,658,013</u>

The notes to the financial statements are an integral part of this statement.

Exhibit E-1

Carroll County, Tennessee
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Other Trust Funds		Total Other Trust Funds	Agency Funds
	Endowment Principal	Indigent Care Trust		
<u>ASSETS</u>				
Cash	\$ 0	\$ 228,328	\$ 228,328	\$ 1,048,647
Equity in Pooled Cash and Investments	83,833	0	83,833	340,908
Investments	0	2,917,361	2,917,361	0
Accounts Receivable	0	0	0	9,679
Due from Other Governments	0	0	0	911,728
Taxes Receivable	0	0	0	5,546,157
Allowance for Uncollectible Taxes	0	0	0	(247,217)
Prepaid Items	0	94	94	0
Accrued Interest Receivable	52	10,124	10,176	0
Total Assets	\$ 83,885	\$ 3,155,907	\$ 3,239,792	\$ 7,609,902
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 24,707	\$ 24,707	\$ 0
Due to Other Taxing Units	0	0	0	6,492,361
Due to Litigants, Heirs, and Others	0	0	0	1,117,541
Total Liabilities	\$ 0	\$ 24,707	\$ 24,707	\$ 7,609,902
<u>NET POSITION</u>				
Held in Trust for Underprivileged Children	\$ 83,885	\$ 0	\$ 83,885	
Held in Trust for Indigent Care	0	3,131,200	3,131,200	
Total Net Position	\$ 83,885	\$ 3,131,200	\$ 3,215,085	

The notes to the financial statements are an integral part of this statement.

Carroll County, Tennessee
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2017

	<u>Other Trust Funds</u>		<u>Total</u>
	<u>Endowment</u>	<u>Indigent</u>	<u>Other</u>
	<u>Principal</u>	<u>Care Trust</u>	<u>Trust</u>
			<u>Funds</u>
<u>ADDITIONS</u>			
Investment Income:			
Interest	\$ 427	\$ 122,841	\$ 123,268
Net Increase (Decrease) in Fair Value of Investments	0	(156,687)	(156,687)
Net Investment Income	\$ 427	\$ (33,846)	\$ (33,419)
Total Additions	\$ 427	\$ (33,846)	\$ (33,419)
<u>DEDUCTIONS</u>			
Payments for Indigent Care	\$ 0	\$ 96,095	\$ 96,095
Audit Fees	0	2,775	2,775
Insurance	0	375	375
Safekeeping Fees and Service Charges	0	146	146
Total Deductions	\$ 0	\$ 99,391	\$ 99,391
Change in Net Position	\$ 427	\$ (133,237)	\$ (132,810)
Net Position, July 1, 2016	83,458	3,264,437	3,347,895
Net Position, June 30, 2017	\$ 83,885	\$ 3,131,200	\$ 3,215,085

The notes to the financial statements are an integral part of this statement.

CARROLL COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	37
B. Government-wide and Fund Financial Statements	38
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	39
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	41
2. Receivables and Payables	42
3. Capital Assets	43
4. Deferred Outflows/Inflows of Resources	44
5. Compensated Absences	44
6. Long-term Obligations	45
7. Net Position and Fund Balance	45
E. Pension Plans	47
II. Reconciliation of Government-wide and Fund Financial Statements	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	47
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities	48
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	48
B. Expenditures Exceeded Appropriations	49
IV. Detailed Notes on All Funds	
A. Deposits and Investments	49
B. Capital Assets	50
C. Construction Commitments	53
D. Interfund Receivables, Payables, and Transfers	53
E. Long-term Obligations	54
F. On-Behalf Payments	57
V. Other Information	
A. Risk Management	58
B. Accounting Changes	59
C. Contingent Liabilities	60
D. Joint Ventures	60
E. Retirement Commitments	62
F. Other Postemployment Benefits (OPEB)	78
G. Purchasing Laws	81
VI. Other Notes - Carroll County Board of Public Utilities (Enterprise Fund)	81
VII. Other Notes - Carroll County Indigent Care Board (Fiduciary Fund)	92

CARROLL COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Carroll County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Carroll County:

A. Reporting Entity

Carroll County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Carroll County (the primary government) and its component units. The financial statements of the Carroll County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Carroll County School Department operates the Carroll County Vocational Center, the Carroll County Special Learning Center, and three adult and community education programs in the county. The School Department also operates the transportation program for all students in the county including students attending the special school districts. The School Department's board is elected by the voters of Carroll County. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Carroll County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Carroll County, and the Carroll County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Carroll County Emergency Communications

District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Carroll County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Carroll County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Carroll County Emergency
Communications District
101 Dillahunt Lane
Huntingdon, TN 38344

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Carroll County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Carroll County issues all debt for the discretely presented Carroll County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2017.

Separate financial statements are provided for governmental funds, the proprietary fund (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Carroll County are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Carroll County reports only one proprietary fund, a major enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Carroll County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been

accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Carroll County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

Carroll County reports the following major proprietary fund:

Public Utility Fund – This fund accounts for the operations of the Carroll County Board of Public Utilities.

Additionally, Carroll County reports the following fund types:

Debt Service Fund – The General Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Private-purpose Trust Fund – The Endowment Principal Fund is used to account for an endowment received by the county for which the principal amount must remain intact while interest earned is to be expended to benefit Carroll County’s underprivileged children.

Other Trust Fund – The Indigent Care Trust Fund, established from contributions made from Baptist Memorial Hospital, is used to assist the medically indigent in paying for their in-patient and out-patient care and ambulance services rendered to them for not-for-profit hospital

and ambulance facilities or entities in Carroll County. Funding is provided through interest income.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities and special school districts in the county, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Carroll County School Department reports the following major governmental funds:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

School Transportation Fund – This special revenue fund is used to account for transportation of all students in the county school system and the special school districts. Local taxes are the foundational revenues of this fund.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Carroll County Board of Public Utilities, enterprise fund) and the discretely presented Carroll County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Carroll County (excluding the Carroll County Board of Public Utilities, enterprise fund) and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date, except in the Indigent Care Trust Fund (fiduciary fund).

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.36 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

3. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government (excluding the Carroll County Board of Public Utilities, enterprise fund) as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government (excluding the Carroll County Board of Public Utilities, enterprise fund) and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5 - 15
Infrastructure:	
Roads	10 - 20
Bridges	15 - 30

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience and investment earnings, pension changes in proportionate share of contributions, and employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in proportionate share of contributions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Compensated Absences

The policy of Carroll County (with the exception of the Carroll County Board of Public Utilities) provides for employees to accumulate a limited amount of earned but unused vacation and sick leave benefits. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. Accumulated vacation benefits will be paid to employees upon separation from county service. All vacation leave is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

The general policy of the discretely presented Carroll County School Department permits the unlimited accumulation of unused sick leave days for all professional personnel (teachers) and the limited accumulation of sick leave days for noncertified employees. The granting of sick leave has no guaranteed payment attached, and therefore, requires no accrual or recording.

6. Long-term Obligations

In the government-wide financial statements and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, and pension liabilities are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Position and Fund Balance

In the government-wide financial statements and the proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Carroll County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Carroll County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Carroll County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Carroll County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the changes in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Carroll County School Department

Exhibit I-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Other Boards and Committees, County Mayor/Executive, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2017, Carroll County and the Carroll County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Description</u>	<u>Amount</u>
Primary Government		
Major Fund:		
General	Airport hangar	\$ 165,533
School Department		
Major Fund:		
General Purpose School	Buses	165,488

B. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations in the Drug Control Fund by \$2,410. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Carroll County (excluding the Carroll County Board of Public Utilities, enterprise fund) and the Carroll County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net position represent nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to

be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county (excluding the Carroll County Indigent Care Board, fiduciary fund, which is discussed in Note VII.B.1., and the Carroll County Board of Public Utilities, enterprise fund, which is discussed in Note VI.C.1.) had no pooled and nonpooled investments as of June 30, 2017.

B. Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

Primary Government - Governmental Activities:

	Balance			Balance
	7-1-16	Increases	Decreases	6-30-17
Capital Assets Not Depreciated:				
Land	\$ 1,747,068	\$ 0	\$ 0	\$ 1,747,068
Construction in Progress	470,428	610,836	0	1,081,264
Total Capital Assets Not Depreciated	<u>\$ 2,217,496</u>	<u>\$ 610,836</u>	<u>\$ 0</u>	<u>\$ 2,828,332</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,561,973	\$ 1,254,911	\$ 0	\$ 20,816,884
Infrastructure	15,779,853	1,069,868	0	16,849,721
Other Capital Assets	8,615,626	1,114,079	(149,935)	9,579,770
Total Capital Assets Depreciated	<u>\$ 43,957,452</u>	<u>\$ 3,438,858</u>	<u>\$ (149,935)</u>	<u>\$ 47,246,375</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,201,331	\$ 705,872	\$ 0	\$ 6,907,203
Infrastructure	9,271,114	516,542	0	9,787,656
Other Capital Assets	6,630,123	694,526	(149,935)	7,174,714
Total Accumulated Depreciation	<u>\$ 22,102,568</u>	<u>\$ 1,916,940</u>	<u>\$ (149,935)</u>	<u>\$ 23,869,573</u>
Total Capital Assets Depreciated, Net	<u>\$ 21,854,884</u>	<u>\$ 1,521,918</u>	<u>\$ 0</u>	<u>\$ 23,376,802</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,072,380</u>	<u>\$ 2,132,754</u>	<u>\$ 0</u>	<u>\$ 26,205,134</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$ 299,122
Finance	11,048
Administration of Justice	53,277
Public Safety	888,459
Public Health and Welfare	97,383
Social, Cultural, and Recreational Services	52,523
Agriculture and Natural Resources	5,197
Highway/Public Works	<u>509,931</u>

Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,916,940</u></u>
--	----------------------------

**Discretely Presented Carroll County School Department -
Governmental Activities:**

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 176,489	\$ 0	\$ 0	\$ 176,489
Total Capital Assets Not Depreciated	<u>\$ 176,489</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 176,489</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 2,962,786	\$ 0	\$ 0	\$ 2,962,786
Other Capital Assets	<u>4,708,982</u>	<u>262,717</u>	<u>(268,125)</u>	<u>4,703,574</u>
Total Capital Assets Depreciated	<u>\$ 7,671,768</u>	<u>\$ 262,717</u>	<u>\$ (268,125)</u>	<u>\$ 7,666,360</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,096,866	\$ 112,585	\$ 0	\$ 2,209,451
Other Capital Assets	<u>2,127,054</u>	<u>312,991</u>	<u>(265,146)</u>	<u>2,174,899</u>
Total Accumulated Depreciation	<u>\$ 4,223,920</u>	<u>\$ 425,576</u>	<u>\$ (265,146)</u>	<u>\$ 4,384,350</u>
Total Capital Assets Depreciated, Net	<u>\$ 3,447,848</u>	<u>\$ (162,859)</u>	<u>\$ (2,979)</u>	<u>\$ 3,282,010</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 3,624,337</u></u>	<u><u>\$ (162,859)</u></u>	<u><u>\$ (2,979)</u></u>	<u><u>\$ 3,458,499</u></u>

Depreciation expense was charged to functions of the discretely presented Carroll County School Department as follows:

Governmental Activities:

Instruction	\$ 99,703
Support Services	<u>325,873</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 425,576</u>

C. Construction Commitments

At June 30, 2017, Carroll County had uncompleted construction contracts of approximately \$165,533 for the construction of airport hangars, and the Highway Department had uncompleted construction contracts of approximately \$76,472 for highway construction. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Highway/Public Works	\$ 13,272
"	Nonmajor governmental	45,381
Nonmajor governmental	General	20,692

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General	School Department:	
	School Transportation Fund	\$ 23,223

Interfund Transfers:

Interfund transfers for the year ended June 30, 2017, consisted of the following amounts:

Transfers Out	Transfers In			Purpose
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds	
Public Utility	\$ 320,090	\$ 24,263	\$ 63,691	Payment in-lieu-of taxes

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

E. Long-term Obligations

Primary Government (excluding the Carroll County Board of Public Utilities, enterprise fund)

General Obligation Bonds, Notes, and Other Loans

Carroll County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to ten years for notes and up to 25 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Capital outlay notes and other loans included in long-term debt as of June 30, 2017, will be retired from the Highway/Public Works and General Debt Service funds.

Capital outlay notes and other loans outstanding as of June 30, 2017, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-17
Capital Outlay Notes	2.05 to 2.47	% 11-1-26	\$ 930,000	\$ 930,000
Other Loans	variable to 2.32	3-1-37	10,364,130	7,875,000

During the 2003-04 year, Carroll County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$2,200,000 to Carroll County for various capital projects. This loan is repayable at a variable interest rate based on the

daily London Interbank Offer Rate (LIBOR). In addition, the county pays various other fees (letter of credit, debt remarketing, administrative, etc.) in connection with this loan. At June 30, 2017, the variable interest rate was .94 percent based on the LIBOR rate and other fees totaled .65 percent of the outstanding loan principal.

During the 2011-12 year, Carroll County entered into a loan agreement with the Public Building Authority of the City of Clarksville. Under this loan agreement, the authority loaned \$8,164,130 to Carroll County for the renovation of the county jail. This loan is repayable at an interest rate of 2.32 percent.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2017, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 159,000	\$ 19,731	\$ 178,731
2019	162,000	16,197	178,197
2020	166,000	12,586	178,586
2021	97,000	9,652	106,652
2022	54,000	7,879	61,879
2023-2027	292,000	18,352	310,352
Total	<u>\$ 930,000</u>	<u>\$ 84,397</u>	<u>\$ 1,014,397</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2018	\$ 366,000	\$ 168,992	\$ 7,499	\$ 542,491
2019	376,000	161,766	6,891	544,657
2020	385,000	154,339	6,263	545,602
2021	395,000	146,756	5,615	547,371
2022	405,000	138,990	4,947	548,937
2023-2027	2,112,000	571,543	13,977	2,697,520
2028-2032	1,807,000	363,056	0	2,170,056
2033-2037	2,029,000	143,422	0	2,172,422
Total	<u>\$ 7,875,000</u>	<u>\$ 1,848,864</u>	<u>\$ 45,192</u>	<u>\$ 9,769,056</u>

There is \$1,427,802 available in the General Debt Service Fund (nonmajor governmental fund) to service long-term debt. Total debt per capita including notes and other loans totaled \$309, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the primary government (excluding the Carroll County Board of Public Utilities, enterprise fund) for the year ended June 30, 2017, was as follows:

Governmental Activities:

	Notes	Other Loans
Balance, July 1, 2016	\$ 85,000	\$ 8,232,000
Additions	930,000	0
Reductions	(85,000)	(357,000)
Balance, June 30, 2017	<u>\$ 930,000</u>	<u>\$ 7,875,000</u>
Balance Due Within One Year	<u>\$ 159,000</u>	<u>\$ 366,000</u>

	Net Pension Liability - Agent Plan*	Compensated Absences
Balance, July 1, 2016	\$ (60,948)	\$ 317,055
Additions	1,683,013	263,338
Reductions	(1,318,186)	(258,954)
Balance, June 30, 2017	<u>\$ 303,879</u>	<u>\$ 321,439</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 16,071</u>

*At July 1, 2016, the agent plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 9,430,318
Less: Balance Due Within One Year	<u>(541,071)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 8,889,247</u>

Compensated absences and the pension liability will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Carroll County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Carroll County School Department for the year ended June 30, 2017, was as follows:

Governmental Activities:

	Other Postemployment Benefits	Net Pension Liability - Agent Plan*	Net Pension Liability - Teacher Legacy Pension Plan
Balance, July 1, 2016	\$ 44,295	\$ (13,734)	\$ 9,457
Additions	12,993	374,358	320,865
Reductions	(19,933)	(293,058)	(205,052)
Balance, June 30, 2017	<u>\$ 37,355</u>	<u>\$ 67,566</u>	<u>\$ 125,270</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

*At July 1, 2016, the agent plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 230,191
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 230,191</u>

Other postemployment benefits and the pension liabilities will be paid from the employing funds, primarily the General Purpose School Fund.

F. On-Behalf Payments – Discretely Presented Carroll County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Carroll County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2017, were \$1,775. There were no payments made to the Local Education Group Insurance Plan during the year. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government (excluding the Carroll County Board of Public Utilities, enterprise fund)

Employee Health Insurance

Carroll County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Workers' Compensation Insurance

Carroll County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated (TCA)*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$500,000.

Liability, Property, and Casualty Insurance

The county is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability insurance coverage. The creation of LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for each insured event.

Discretely Presented Carroll County School Department

Employee Health Insurance

The discretely presented Carroll County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

Liability, Property, Casualty, and Workers' Compensation Insurance

The discretely presented Carroll County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and No. 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in Statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, establishes reporting requirements for tax abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered into by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

C. Contingent Liabilities

The county is involved in one pending lawsuit. The county attorney estimates that the potential claim against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Joint Ventures

The Twenty-fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fourth Judicial District, Benton, Carroll, Decatur, Hardin, and Henry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Carroll County made no contributions to the DTF

for the year ended June 30, 2017, and does not have any equity interest in this joint venture.

The Carroll County Economic Development Council is a joint venture between Carroll County and the cities of Atwood, Bruceton, Clarksburg, Hollow Rock, Huntingdon, McKenzie, McLemoresville, and Trezevant. The board is comprised of the county and city mayors, the president of the Carroll Chamber of Commerce, and one member representing agriculture/greenbelt. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities provide the majority of funding for the board based on the sales tax plan outlined in 1997.

Complete financial statements for the DTF and the Carroll County Economic Development Council can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
P.O. Box 686
Huntingdon, TN 38344

Carroll County Economic Development Council
Carroll County Chamber of Commerce
20740 E. Main Street
Huntingdon, TN 38344

The Carroll-Henry County Railroad Authority was jointly created in November 1988 by Carroll and Henry counties. The authority was established as a conduit for payment of funds between the Tennessee Department of Transportation and the Kentucky-West Tennessee Railroad Company to rehabilitate the railroad between the Kentucky state line and Bruceton, Tennessee, including a line to Spinks, Tennessee. The authority comprises four members. One member from each county is appointed by the county commission, and each county mayor serves as a member and rotates every two years as chairman. Complete financial statements for the Carroll-Henry County Railroad Authority can be obtained from the Carroll County Mayor's Office.

E. Retirement Commitments

Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Most employees of Carroll County and the non-certified employees of the discretely presented Carroll County School Department are provided a defined benefit pension plan (Carroll County Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 81.81 percent and the non-certified employees of the discretely presented School Department comprised 18.19 percent of the plan based on contribution data. In addition, certain other county employees are provided a defined benefit pension plan (Carroll County Commissioners Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 100 percent of the Carroll County Commissioners Plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants of the Carroll County Plan are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the

previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

The Carroll County Commissioners Plan does not offer a COLA to its members or their beneficiaries.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2016, the following employees were covered by the benefit terms:

Carroll County Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	123
Inactive Employees Entitled to But Not Yet Receiving Benefits	179
Active Employees	246
Total	<u><u>548</u></u>

Carroll County Commissioners Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	3
Inactive Employees Entitled to But Not Yet Receiving Benefits	2
Active Employees	9
Total	<u><u>14</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Carroll County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2017, the employer contribution for the Carroll County Plan was \$593,779 based on a rate of 8.11 percent of covered payroll and the Carroll County Commissioners Plan was \$6,596 based on a rate of 45.97 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Carroll County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by

members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Carroll County's net pension liability (asset) was measured as of June 30, 2016, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost-of-Living Adjustment	2.50%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income	4.61		8	
Real Estate	0.98		29	
Short-term Securities	4.73		7	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Carroll County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

Carroll County Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2015	\$ 19,555,825	\$ 19,630,507	\$ (74,682)
Changes for the Year:			
Service Cost	\$ 559,789	\$ 0	\$ 559,789
Interest	1,479,000	0	1,479,000
Differences Between Expected and Actual Experience	(164,364)	0	(164,364)
Contributions-Employer	0	571,701	(571,701)
Contributions-Employees	0	352,471	(352,471)
Net Investment Income	0	522,559	(522,559)
Benefit Payments, Including Refunds of Employee Contributions	(791,222)	(791,222)	0
Administrative Expense	0	(18,433)	18,433
Net Changes	\$ 1,083,203	\$ 637,076	\$ 446,127
Balance, June 30, 2016	\$ 20,639,028	\$ 20,267,583	\$ 371,445

Carroll County Commissioners Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2015	\$ 80,655	\$ 117,317	\$ (36,662)
Changes for the Year:			
Service Cost	\$ 2,525	\$ 0	\$ 2,525
Interest	6,144	0	6,144
Differences Between Expected and Actual Experience	(20,613)	0	(20,613)
Contributions-Employer	0	8,754	(8,754)
Contributions-Employees	0	653	(653)
Net Investment Income	0	3,196	(3,196)
Benefit Payments, Including Refunds of Employee Contributions	(2,529)	(2,529)	0
Administrative Expense	0	(639)	639
Net Changes	\$ (14,473)	\$ 9,435	\$ (23,908)
Balance, June 30, 2016	\$ 66,182	\$ 126,752	\$ (60,570)

Carroll County Plan:

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	81.81%	\$ 16,884,789	\$ 16,580,910	\$ 303,879
School Department	18.19%	3,754,239	3,686,673	67,566
Total		\$ 20,639,028	\$ 20,267,583	\$ 371,445

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.
The following presents the net pension liability (asset) of Carroll County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1%	Current Discount Rate	1%
Carroll County Plan:	Decrease 6.5%	7.5%	Increase 8.5%

Net Pension Liability	\$ 2,987,070	\$ 371,445	\$ (1,818,532)
-----------------------	--------------	------------	----------------

	1%	Current Discount Rate	1%
Carroll County Commissioners Plan:	Decrease 6.5%	7.5%	Increase 8.5%

Net Pension Liability	\$ (54,474)	\$ (60,570)	\$ (65,848)
-----------------------	-------------	-------------	-------------

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2017, the Carroll County Plan recognized pension expense of \$246,769 and the Carroll County Commissioners Plan recognized negative pension expense of \$17,888.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, Carroll County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Carroll County Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 231,065	\$ 366,287
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	678,710	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	593,779	N/A
Total	\$ 1,503,554	\$ 366,287

Carroll County Commissioners Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 683	\$ 29,049
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,409	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	6,596	N/A
Total	<u>\$ 11,688</u>	<u>\$ 29,049</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Carroll County Plan:

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,242,946	\$ 299,659
School Department	260,608	66,628
Total	<u>\$ 1,503,554</u>	<u>\$ 366,287</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Carroll County Plan:

Year Ending June 30	Amount
2018	\$ 18,600
2019	18,600
2020	312,502
2021	221,177
2022	(27,391)
Thereafter	0

Carroll County Commissioners Plan:

Year Ending June 30	Amount
2018	\$ (17,510)
2019	(4,604)
2020	(3,012)
2021	1,169
2022	0
Thereafter	0

In the tables shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Carroll County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Carroll County and non-certified employees of the discretely presented Carroll County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 81.81 percent and the non-certified employees of the discretely presented School Department comprised 18.19 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Carroll County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2017, to the Teacher Retirement Plan were \$4,800, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities. Since the measurement date is June 30, 2016, which is prior to any teacher becoming a member of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2017.

Pension Expense. Since the measurement date is June 30, 2016, which is prior to any teacher becoming a member of the Teacher Retirement Plan, the Carroll County School Department did not recognize any pension expense at June 30, 2017.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, the Carroll County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	\$ 4,800	N/A

The Carroll County School Department's employer contributions of \$4,800 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2018.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Carroll County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Carroll County School Department for the year ended June 30, 2017, to the Teacher Legacy Pension Plan were \$63,729, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2017, the Carroll County School Department reported a liability of \$125,270 for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Carroll County School Department's proportion of the net pension liability (asset) was based on the Carroll County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Carroll County School Department's proportion was .020045 percent. The proportion measured at June 30, 2015, was .023086 percent.

Pension Expense. For the year ended June 30, 2017, the Carroll County School Department recognized pension expense of \$10,367.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, the Carroll County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,272	\$ 151,660
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	139,865	0
Changes in Proportion and Differences Between LEA's Contributions and Proportionate Share of Contributions	5,232	27,431
Changes in Proportion of Net Pension Liability (Asset)		
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	63,729	N/A
Total	<u>\$ 214,098</u>	<u>\$ 179,091</u>

The Carroll County School Department's employer contributions of \$63,729 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ (27,836)
2019	(27,836)
2020	39,257
2021	2,190
2022	(14,497)
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income	4.61		8	
Real Estate	0.98		29	
Short-term Securities	4.73		7	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Carroll County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Carroll County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
---	------------------------	-------------------------------------	------------------------

Net Pension Liability	\$	687,878	\$	125,270	\$	(340,769)
-----------------------	----	---------	----	---------	----	-----------

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

F. Other Postemployment Benefits (OPEB)

Carroll County and the School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-207, *Tennessee Code Annotated (TCA)*, for local governments and Section 8-27-302, *TCA*, for local education employees. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/article/fa-accfin-cafr>.

Actuarial valuations for the plans were performed as of July 1, 2015, before Carroll County began participation in the Local Government Group Insurance Plan on January 1, 2016. Therefore, the data necessary for the measurement, recognition, and display of other postemployment benefits necessary to prepare government-wide financial statements and note disclosures for the year ended June 30, 2017, was not available for Carroll County. However, we do not believe the amount is material to the government-wide financial statements.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants;

however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2017, the Carroll County School Department contributed \$19,933 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	\$ 13,000
Interest on the NOPEBO	1,661
Adjustment to the ARC	(1,668)
Annual OPEB cost	\$ 12,993
Less: Amount of contribution	(19,933)
Increase/decrease in NOPEBO	\$ (6,940)
Net OPEB obligation, 7-1-16	44,295
Net OPEB obligation, 6-30-17	\$ 37,355

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Local Education Group	\$ 11,053	133 %	\$ 47,702
6-30-16	"	11,993	128	44,295
6-30-17	"	12,993	153	37,355

Funding Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	Local Education Group Plan
Actuarial valuation date	7-1-15
Actuarial accrued liability (AAL)	\$ 100,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 100,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 929,802
UAAL as a % of covered payroll	11%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2015, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of six percent in fiscal year 2017, and then be reduced by decrements to an ultimate rate of 4.645 percent by fiscal year 2050. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 35-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

G. Purchasing Laws

Offices of County Mayor and Highway Commission

Purchasing procedures for Carroll County are governed by provisions of Chapter 23, Private Acts of 1975, as amended, and Section 54-7-113, *Tennessee Code Annotated (TCA)*, (Highway Department purchases only). This act provides for the county mayor to act as purchasing agent for the Carroll County Highway Department, School Transportation Department, and all other county departments and agencies, except for the Board of Education. The act also provides for the establishment of a Purchasing Commission, consisting of the county clerk, county trustee, and three members of the county ommission. Requisitions and purchase orders are required for all purchases. In addition, public advertisement and sealed bids are required on purchases exceeding \$10,000. Purchases of less than \$250 may be made by employees of the Highway Department and the School Transportation Department.

Office of Director of Schools

Purchasing procedures for the discretely presented Carroll County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisements on all purchases estimated to exceed \$10,000.

VI. OTHER NOTES – CARROLL COUNTY BOARD OF PUBLIC UTILITIES (ENTERPRISE FUND)

A. Summary of Significant Accounting Policies

1. Reporting Entity

Tennessee Code Annotated, Section 7-52-117(c) states “Subject to the provisions of Section 7-52-132, the superintendent, with the approval of the supervisory body, may acquire and dispose of all property, real and personal, necessary to effectuate the purposes of this part. The title of such property shall be taken in the name of the municipality” (county); therefore, the Carroll County Electric System does not possess sufficient corporate powers that distinguish it as a legally separate entity, and it is considered a proprietary fund of Carroll County, Tennessee.

2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement

focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The electric system's financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the electric system conform to applicable accounting principles generally accepted in the United States of America as defined by the Governmental Accounting Standards Board (GASB).

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the electric system are charges to customers for sales and service. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the electric system's policy to use restricted resources first, then unrestricted resources as they are needed.

3. **Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position**

Deposits and Investments

The electric system's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the electric system to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements, and the state's investment pool.

Accounts Receivable

Trade receivables result from unpaid billings for electric service to customers and from unpaid billings related to work performed for or materials sold to certain entities. All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible

customer accounts recorded by the electric system is based on past history of uncollectible accounts and management's analysis of current accounts.

Inventories and Prepaid Items

All inventories are valued at the lower of average cost or market, using the first-in/first-out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and construction in progress are defined by the electric system as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the electric system are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
General plant	5 - 40
Transmission plant	28 - 33
Distribution plant	16 - 40

Compensated Absences

It is the electric system's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and sick leave have been accrued and are reflected as current and long-term liabilities on the financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The electric system presently has no items that qualify for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The electric system presently has no items that qualify for reporting in this category.

Net Position

Equity is classified as net position and displayed in the following two components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- Unrestricted – All other net position that does not meet the description of the above category.

Impact of Recently Issued Accounting Pronouncements

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement is effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. The purpose of this statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The GAAP hierarchy consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting

treatment for a transaction or other event is not specified within a source of authoritative GAAP. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements in this statement improve financial reporting by raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance. They also emphasize the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP, and require the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature.

4. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred outflow/inflow of resources, the disclosure of contingent amounts and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

B. Stewardship, Compliance, and Accountability

Budgetary Information

No budget was required for the Carroll County Board of Public Utilities; therefore, no budget was adopted.

C. Detailed Notes on All Funds

1. Deposits and Investments

Investments consisted entirely of certificates of deposits with a maturity of greater than three months for the fiscal year ended June 30, 2017.

Custodial Credit Risk. The electric system's policies limit deposits and investments to those instruments allowed by applicable state laws and described in Note VI.A.3. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the electric system's agent in the electric system's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the electric system to invest in bonds, notes, or treasury bills of the United

States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2017, all bank deposits were fully collateralized or insured.

2. Receivables

Receivables as of June 30, 2017, consisted of the following:

Billed services for utility customers	\$ 3,084,599
Other receivables for utility service	159,544
Allowance for doubtful accounts	<u>(25,000)</u>
Total	<u><u>\$ 3,219,143</u></u>

3. Restricted Assets

There are no restricted assets as of June 30, 2017.

4. Capital Assets

Capital assets activity during the year was as follows:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 284,070	\$ 0	\$ 0	\$ 284,070
Construction in Progress	68,549	(49,430)	0	19,119
Total Capital Assets Not Depreciated	<u>\$ 352,619</u>	<u>\$ (49,430)</u>	<u>\$ 0</u>	<u>\$ 303,189</u>
Capital Assets Depreciated:				
Other Capital Assets	<u>\$ 40,358,167</u>	<u>\$ 1,554,746</u>	<u>\$ (611,688)</u>	<u>\$ 41,301,225</u>
Total Capital Assets Depreciated	<u>\$ 40,358,167</u>	<u>\$ 1,554,746</u>	<u>\$ (611,688)</u>	<u>\$ 41,301,225</u>
Less Accumulated Depreciation For:				
Other Capital Assets	<u>\$ 20,345,702</u>	<u>\$ 1,299,827</u>	<u>\$ (652,682)</u>	<u>\$ 20,992,847</u>
Total Accumulated Depreciation	<u>\$ 20,345,702</u>	<u>\$ 1,299,827</u>	<u>\$ (652,682)</u>	<u>\$ 20,992,847</u>
Total Capital Assets Depreciated, Net	<u>\$ 20,012,465</u>	<u>\$ 254,919</u>	<u>\$ 40,994</u>	<u>\$ 20,308,378</u>
Capital Assets, Net	<u>\$ 20,365,084</u>	<u>\$ 205,489</u>	<u>\$ 40,994</u>	<u>\$ 20,611,567</u>

Depreciation expense charged to operations amounted to \$1,148,245 for the fiscal year ended June 30, 2017.

5. Long-term Liabilities

Long-term liabilities for the year ended June 30, 2017, is as follows:

	Balance 6-30-17
Long-term Liabilities	
Sick and Vacation Accrual	<u>\$ 1,253,291</u>
Total current portion	<u>\$ 304,611</u>
Total long-term portion	<u>\$ 948,680</u>

The following is as summary of long-term liability transactions for the year ended June 30, 2017:

	<u>Compensated Absences</u>
Balance, July 1, 2016	\$ 1,212,801
Additions	678,444
Reductions	<u>(637,954)</u>
Balance, June 30, 2017	<u>\$ 1,253,291</u>
Amount Due in One Year	<u>\$ 304,611</u>

6. Net Position

Net position represents the difference between assets and liabilities. The restricted net position amounts were as follows:

Invested in capital assets, net of related liabilities:	
Net property, plant, and equipment in services	<u>\$ 20,611,567</u>
Total invested in capital assets, net of related liabilities	<u>\$ 20,611,567</u>
Unrestricted	<u>\$ 8,041,614</u>
Total Net Position	<u>\$ 28,653,181</u>

7. Operating Leases

The electric system leases one of its copy machines. This lease has been classified as an operating lease for reporting purposes. The lease agreement began in October 2014 and will expire in October 2019 with a monthly payment of \$284. Lease expense for the year ended June 30, 2017, was \$3,408.

D. Other Information

1. Pension Plan

Effective January 1, 1997, the electric system adopted a defined contribution, profit sharing pension plan titled the Carroll County Electrical Department Profit Sharing Plan. The Carroll County Board of Public Utilities is the plan administrator. The plan is to be interpreted and administered in a manner consistent with the provisions of the Internal Revenue Code of 1986, as amended. Participants of the plan must meet the plan's eligibility requirements. Once an employee becomes a participant, the electric system maintains an individual account for each employee. Each plan year, employee accounts will be adjusted to reflect contributions, gains, losses, etc. The

percentage of each employee account to which an employee is entitled upon separation from the electric system depends on the plan's vesting schedule. Participants generally will be vested in their individual account after three years of service. All contributions made to the plan on an employee's behalf will be placed in a trust fund established to hold dollars for the benefit of all participants. Each of the participants' individual accounts will be used to track their share in the total trust fund.

Each year, the managing body of the electric system determines the amount, if any, it will contribute to the plan. Employer contributions to the profit-sharing plan in general can range from one percent to 15 percent of participant's compensation each year. Compensation will be determined as the participant's wages, excluding overtime, commissions, and bonuses. Employees are not permitted to contribute to the plan.

For the year ended June 30, 2017, total employer contributions were \$327,923 based on total covered wages of \$2,732,691.

2. Power Contract

The electric system has a power contract with the Tennessee Valley Authority (TVA) to purchase all of its electric power from TVA and is subject to certain restrictions and conditions as provided for in the power contract. Such restrictions include, but are not limited to, prohibitions against furnishings, advancing, lending, pledging, or otherwise diverting electric system funds, revenues, or property to other operations of the county, and the purchase or payment of or providing security for indebtedness on other obligations applicable to such other operations.

3. Risk Management

The electric system is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2017, the electric system purchased commercial insurance for all of the above risks. Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in the amount of coverage provided.

4. **Other Postemployment Benefits (OPEB)**

Plan Description

Carroll County Electric System sponsors a single-employer postemployment benefits plan. The plan provides medical, prescription, and death benefits to eligible retirees and their spouses.

Funding Policy

The electric system intends to continue its policy of funding OPEB liabilities on a pay as-you-go basis and not pre-fund any unfunded annual required contribution as determined under GASB Statement No. 45.

Annual OPEB Cost and Net OPEB Obligation

The electric system's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the electric system's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the electric system's net OPEB obligation.

Components of Net OPEB Obligation

Annual Required Contribution	\$ 24,343
Interest on the Net OPEB Obligation	3,461
Adjustment to the Annual Required Contribution	<u>(3,924)</u>
Annual OPEB Cost (Expense)	\$ 23,880
Less: Contributions and Subsidy	<u>(19,385)</u>
Increase/decrease in Net Obligation	\$ 4,495
Net OPEB Obligation, 7-1-16	<u>76,916</u>
 Net OPEB Obligation, 6-30-17	 <u><u>\$ 81,411</u></u>

The electric system's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017, 2016, and 2015, were as follows:

Fiscal Year Ended	Annual OPEB OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation At Year End
6-30-15	\$ 29,504	\$ 100.10 %	\$ 97,895
6-30-16	27,846	175.30	76,916
6-30-17	23,880	81.20	81,411

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$252,991 and the actuarial value of assets was zero resulting in an unfunded actuarial accrued liability (UAAL) of \$252,991. The covered payroll (annual payroll of active employees covered by the plan) was \$2,971,000 and the ratio of the UAAL to the covered payroll was 8.52 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on a substantive plan (the plan as understood by the employer and the plan members) and includes the type of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The last complete actuarial valuation was performed as of July 1, 2014, and the results were “rolled forward” to July 1, 2016, using established actuarial techniques and methods. The July 1, 2014, actuarial valuation was based on the projected unit credit actuarial cost method. The

actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of five percent after ten years. The actuarial value of assets was determined using a standard balanced portfolio expectation for retirement plan asset returns. The UAAL is being amortized as a level percentage of payroll on an open 30-year period.

5. Major Customer

For the year ended June 30, 2017, one customer comprised approximately 17.72 percent of total revenues.

VII. OTHER NOTES – CARROLL COUNTY INDIGENT CARE BOARD (FIDUCIARY FUND)

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Carroll County Indigent Care Fund was established by a private act on March 21, 1983, to assist the medically indigent in paying for in-patient and out-patient care and ambulance services rendered to them for not-for-profit hospital and ambulance facilities or entities in such counties. The fund also was empowered to promote health education in the county and acquire or otherwise assist in providing certain types of equipment to aid the medically indigent within the county.

From 1983 through 1988, Baptist Memorial Hospital made contributions to the fund totaling \$2,150,000. This money was set aside to establish the Carroll County Indigent Care Board.

A nine-member board of trustees was appointed (three by the county legislative body, three by the Baptist Memorial Hospital, and three by the board itself) to carry out the stated purposes of the private act. The board has appointed Carroll Bank and Trust as the trustee of the fund.

Under guidelines set forth in the private act and the minutes of the board of trustees, only 80 percent of the income earned by the fund may be used to pay indigent accounts. The board established a screening committee to determine the medical indigence of applicants and to recommend payment for their benefits.

2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The fund is a private-purpose trust fund, which is a fiduciary fund type, and therefore maintains its accounting records using the economic resources measurement focus and the accrual basis of fund accounting. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entity's net position. The accrual basis of accounting recognizes income as it is earned and expenses as they are incurred, whether or not cash is received or paid out at that time.

In evaluating how to define the Carroll County Indigent Care Board for financial reporting purposes, management considers whether the board is a legally separate entity holding corporate powers. Based on this criterion, the Carroll County Indigent Care Board is not considered to be a separate entity, but is considered a reporting component of Carroll County, Tennessee.

The Carroll County Indigent Care Board accounts for its financial position and results of operations in accordance with generally accepted accounting principles applicable to governmental units. Fiduciary fund types are accounted for on the accrual basis, whereby income is recognized as it is earned, and expenses are recognized as they are incurred, whether or not cash is received or paid out at that time. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. Detailed Notes on Accounts

1. Deposits and Investments

At year-end, the carrying amount of the board's deposits was \$228,328, and the bank balance was the same. The entire balance is either covered by insurance as provided by the FDIC or by securities pledged by the banks. Both banks are a member of the Tennessee State Collateral Pool.

Investments consist mainly of mortgage-backed securities whose values are largely dependent on the interest rate market.

The board's policies limit deposits and investments to those instruments allowed by the private act under which it was created. That act states that the board shall invest such funds at the highest and best practical rate of income. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance of the Tennessee Bank Collateral Pool, by collateral held by the board's agent in the board's name, or by the Federal Reserve Banks acting as third-party agents. As of June 30, 2017, all bank deposits were fully collateralized or insured.

Investments are valued at fair value. The difference in the beginning and ending fair and book values is shown as a net increase (decrease) in fair value of investments in the revenue section of the Statement of Revenues, Expenses, and Changes in Net Position. Fair value approximates market.

The Indigent Care Board invests mainly in securities backed by the United States Government. The total book value of these investments as of June 30, 2017, was \$2,993,437, and the total market value was \$2,917,361. As mentioned, these investments are valued at fair value. At June 30, 2017, book value exceeded market value by \$76,076.

Securities at market value consist of:

FHLMC Securities	\$ 904,271
FNMA Securities	631,469
GNMA Securities	1,284,402
Stripped Adjustable Mortgage Securities	13,305
Various Mortgage-Backed Securities	<u>83,914</u>
Total	<u>\$ 2,917,361</u>

2. **Equity**

Equity is classified as net position and displayed as held in trust for indigent care.

3. **Indigent Accounts**

At July 1, 2016, approved indigent care accounts totaling \$4,190,989 were available for payment. During the year, new claims totaling \$596,148 were approved, and \$96,159 was paid during the year, bringing the unpaid balance at June 30, 2017, to \$4,690,978. These claims represent a contingent liability for the board. The amount of approved claims is accrued only if funds are available to pay them. The remaining claims approved will be paid in subsequent periods when funds become available. Net earnings available for payment of indigent

accounts, which represent second quarter 2017 earnings, have been accrued as a liability entitled accrued indigent payments of \$24,707 because this amount represents an actual liability as of the end of the year.

C. Fair Value Measurements

Fair values of investments measured on a recurring basis at June 30, 2017, were \$2,917,361 and are determined by reference to quoted market prices and other relevant information generated by market transactions. At present, the board has no items carried or that will be carried at fair value on a non-recurring basis. The board does not currently have nor expects to have any non-financial assets or liabilities, which could be carried at fair value.

The board defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements regarding fair value measurements. This standard clarifies the principle that fair value should be based on assumptions one would use when pricing the asset or liability and establishes a hierarchy that prioritizes information used to develop these assumptions. The hierarchy is as follows:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 Inputs: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Such inputs may include quoted prices for similar assets or liabilities in active markets, and inputs other than quoted market prices that are observable for the assets and liabilities such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 Inputs: Unobservable inputs for determining fair values of assets and liabilities that reflect an entity's own assumptions about the assumptions that market participants would use pricing the asset and liabilities.

Investments are the only balance sheet components reported at fair value. They are valued using Level 2 inputs. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayments speeds, credit information and terms and conditions of bonds, and other factors. The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of June 30, 2017.

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Investments	\$ 0	\$ 2,917,361	\$ 0	\$ 2,917,361

D. Other Information

Risk Management

The board is exposed to risks related to general and public official's liability. To cover these risks, the board purchased a three-year commercial insurance policy in October 2014. There have been no settlements in the prior three fiscal years, and there has been no significant reduction in coverage.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Carroll County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government - Carroll County
For the Fiscal Year Ended June 30

	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 526,862	\$ 558,319	\$ 559,789
Interest	1,312,980	1,366,524	1,479,000
Differences Between Actual and Expected Experience	(458,637)	346,597	(164,364)
Benefit Payments, Including Refunds of Employee Contributions	(642,255)	(755,226)	(791,222)
Net Change in Total Pension Liability	\$ 738,950	\$ 1,516,214	\$ 1,083,203
Total Pension Liability, Beginning	17,300,661	18,039,611	19,555,825
Total Pension Liability, Ending (a)	\$ 18,039,611	\$ 19,555,825	\$ 20,639,028
Plan Fiduciary Net Position			
Contributions - Employer	\$ 523,974	\$ 553,936	\$ 571,701
Contributions - Employee	338,543	341,520	352,471
Net Investment Income	2,679,471	584,802	522,559
Benefit Payments, Including Refunds of Employee Contributions	(642,255)	(755,226)	(791,222)
Administrative Expense	(9,361)	(12,252)	(18,433)
Net Change in Plan Fiduciary Net Position	\$ 2,890,372	\$ 712,780	\$ 637,076
Plan Fiduciary Net Position, Beginning	16,027,355	18,917,727	19,630,507
Plan Fiduciary Net Position, Ending (b)	\$ 18,917,727	\$ 19,630,507	\$ 20,267,583
Net Pension Liability (Asset), Ending (a - b)	\$ (878,116)	\$ (74,682)	\$ 371,445
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.87%	100.38%	98.20%
Covered Payroll	\$ 6,769,680	\$ 6,830,280	\$ 7,049,319
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(12.97)%	(1.09)%	5.27%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit F-2

Carroll County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government - Carroll County Commissioners
For the Fiscal Year Ended June 30

	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 3,649	\$ 2,552	\$ 2,525
Interest	7,679	8,548	6,144
Differences Between Actual and Expected Experience	2,729	(40,765)	(20,613)
Benefit Payments, Including Refunds of Employee Contributions	(521)	(2,215)	(2,529)
Net Change in Total Pension Liability	\$ 13,536	\$ (31,880)	\$ (14,473)
Total Pension Liability, Beginning	98,999	112,535	80,655
Total Pension Liability, Ending (a)	\$ 112,535	\$ 80,655	\$ 66,182
Plan Fiduciary Net Position			
Contributions - Employer	\$ 8,593	\$ 9,492	\$ 8,754
Contributions - Employee	645	708	653
Net Investment Income	14,532	3,393	3,196
Benefit Payments, Including Refunds of Employee Contributions	(521)	(2,215)	(2,529)
Administrative Expense	(303)	(457)	(639)
Net Change in Plan Fiduciary Net Position	\$ 22,946	\$ 10,921	\$ 9,435
Plan Fiduciary Net Position, Beginning	83,450	106,396	117,317
Plan Fiduciary Net Position, Ending (b)	\$ 106,396	\$ 117,317	\$ 126,752
Net Pension Liability (Asset), Ending (a - b)	\$ 6,139	\$ (36,662)	\$ (60,570)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.54%	145.46%	191.52%
Covered Payroll	\$ 12,900	\$ 14,150	\$ 13,050
Net Pension Liability (Asset) as a Percentage of Covered Payroll	47.59%	(259.10)%	(464.14)%

Note: ten years of data will be presented when available.

Exhibit F-3

Carroll County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government - Carroll County
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 523,974	\$ 553,936	\$ 571,701	\$ 593,779
Less Contributions in Relation to the Actuarially Determined Contribution	(523,974)	(553,936)	(571,701)	(593,779)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 6,769,680	\$ 6,830,280	\$ 7,049,319	\$ 7,322,433
Contributions as a Percentage of Covered Payroll	7.74%	8.11%	8.11%	8.11%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit F-4

Carroll County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government - Carroll County Commissioners
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 8,593	\$ 9,492	\$ 8,754	\$ 6,596
Less Contributions in Relation to the Actuarially Determined Contribution	(8,593)	(9,492)	(8,754)	(6,596)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 12,900	\$ 14,150	\$ 13,050	\$ 14,348
Contributions as a Percentage of Covered Payroll	66.61%	67.08%	67.08%	45.97%

Note: ten years of data will be presented when available.

Exhibit F-5

Carroll County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Carroll County School Department
For the Fiscal Year Ended June 30

	<u>2017</u>
Contractually Required Contribution	\$ 4,800
Less Contributions in Relation to the Contractually Required Contribution	<u>(4,800)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>
Covered Payroll	\$ 120,000
Contributions as a Percentage of Covered Payroll	4.00%

Note: ten years of data will be presented when available.

Exhibit F-6

Carroll County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Carroll County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Contractually Required Contribution	\$ 78,331	\$ 78,125	\$ 65,412	\$ 63,729
Less Contributions in Relation to the Contractually Required Contribution	(78,331)	(78,125)	(65,412)	(63,729)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 882,110	\$ 864,218	\$ 723,582	\$ 704,967
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%

Note: ten years of data will be presented when available.

Exhibit F-7

Carroll County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Carroll County School Department
For the Fiscal Year Ended June 30 *

	2015	2016	2017
School Department's Proportion of the Net Pension Liability/Asset	0.022474%	0.023086%	0.020045%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (3,652)	\$ 9,457	\$ 125,270
Covered Payroll	\$ 882,110	\$ 864,218	\$ 723,582
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094255%	17.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-8

Carroll County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Carroll County Board of Public Utilities Fund and
Discretely Presented Carroll County School Department
June 30, 2017

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-11	\$ 0	\$ 149	\$ 149	0 %	\$ 880	17 %
"	7-1-13	0	89	89	0	968	9
"	7-1-15	0	100	100	0	930	11
Carroll County Board of Public Utilities Fund	7-1-14	0	387	387	0	2,595	15
"	7-1-15	0	345	345	0	2,755	13
"	7-1-16	0	253	253	0	2,971	9

CARROLL COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation,
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Carroll County’s garbage collection and recycling operations.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

Debt Service Fund

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principle and interest.

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Exhibit G-1

Carroll County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service	
<u>ASSETS</u>						
Cash	\$ 500	\$ 0	\$ 22,935	\$ 23,435	\$ 0	\$ 23,435
Equity in Pooled Cash and Investments	470,468	220,877	0	691,345	1,441,949	2,133,294
Due from Other Governments	119,462	0	0	119,462	0	119,462
Due from Other Funds	20,692	0	0	20,692	0	20,692
Property Taxes Receivable	574,025	0	0	574,025	502,327	1,076,352
Allowance for Uncollectible Property Taxes	(21,441)	0	0	(21,441)	(22,374)	(43,815)
Total Assets	\$ 1,163,706	\$ 220,877	\$ 22,935	\$ 1,407,518	\$ 1,921,902	\$ 3,329,420
<u>LIABILITIES</u>						
Payroll Deductions Payable	\$ 5,904	\$ 2,102	\$ 0	\$ 8,006	\$ 0	\$ 8,006
Due to Other Funds	14,929	0	10,550	25,479	19,902	45,381
Total Liabilities	\$ 20,833	\$ 2,102	\$ 10,550	\$ 33,485	\$ 19,902	\$ 53,387
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 539,332	\$ 0	\$ 0	\$ 539,332	\$ 462,284	\$ 1,001,616
Deferred Delinquent Property Taxes	8,936	0	0	8,936	11,914	20,850
Other Deferred/Unavailable Revenue	108,632	0	0	108,632	0	108,632
Total Deferred Inflows of Resources	\$ 656,900	\$ 0	\$ 0	\$ 656,900	\$ 474,198	\$ 1,131,098

(Continued)

Exhibit G-1

Carroll County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service	
FUND BALANCES						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 218,775	\$ 0	\$ 218,775	\$ 0	\$ 218,775
Restricted for Debt Service	0	0	0	0	1,117,646	1,117,646
Committed:						
Committed for Administration of Justice	0	0	12,385	12,385	0	12,385
Committed for Public Health and Welfare	485,973	0	0	485,973	0	485,973
Committed for Debt Service	0	0	0	0	310,156	310,156
Total Fund Balances	<u>\$ 485,973</u>	<u>\$ 218,775</u>	<u>\$ 12,385</u>	<u>\$ 717,133</u>	<u>\$ 1,427,802</u>	<u>\$ 2,144,935</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,163,706</u>	<u>\$ 220,877</u>	<u>\$ 22,935</u>	<u>\$ 1,407,518</u>	<u>\$ 1,921,902</u>	<u>\$ 3,329,420</u>

Exhibit G-2

Carroll County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service	
<u>Revenues</u>						
Local Taxes	\$ 372,515	\$ 0	\$ 0	\$ 372,515	\$ 593,595	\$ 966,110
Fines, Forfeitures, and Penalties	0	140,678	0	140,678	0	140,678
Charges for Current Services	1,175,901	0	84,526	1,260,427	0	1,260,427
Other Local Revenues	83,335	4,562	0	87,897	0	87,897
State of Tennessee	53,024	0	0	53,024	0	53,024
Total Revenues	<u>\$ 1,684,775</u>	<u>\$ 145,240</u>	<u>\$ 84,526</u>	<u>\$ 1,914,541</u>	<u>\$ 593,595</u>	<u>\$ 2,508,136</u>
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 91,421	\$ 91,421	\$ 0	\$ 91,421
Public Safety	0	73,772	0	73,772	0	73,772
Public Health and Welfare	1,715,418	0	0	1,715,418	0	1,715,418
Highways	39,836	0	0	39,836	0	39,836
Debt Service:						
Principal on Debt	0	0	0	0	357,000	357,000
Interest on Debt	0	0	0	0	181,398	181,398
Other Debt Service	0	0	0	0	19,584	19,584
Total Expenditures	<u>\$ 1,755,254</u>	<u>\$ 73,772</u>	<u>\$ 91,421</u>	<u>\$ 1,920,447</u>	<u>\$ 557,982</u>	<u>\$ 2,478,429</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (70,479)</u>	<u>\$ 71,468</u>	<u>\$ (6,895)</u>	<u>\$ (5,906)</u>	<u>\$ 35,613</u>	<u>\$ 29,707</u>

(Continued)

Exhibit G-2

Carroll County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 27,296	\$ 0	\$ 0	\$ 27,296	\$ 36,395	\$ 63,691
Total Other Financing Sources (Uses)	<u>\$ 27,296</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,296</u>	<u>\$ 36,395</u>	<u>\$ 63,691</u>
Net Change in Fund Balances	\$ (43,183)	\$ 71,468	\$ (6,895)	\$ 21,390	\$ 72,008	\$ 93,398
Fund Balance, July 1, 2016	529,156	147,307	19,280	695,743	1,355,794	2,051,537
Fund Balance, June 30, 2017	<u>\$ 485,973</u>	<u>\$ 218,775</u>	<u>\$ 12,385</u>	<u>\$ 717,133</u>	<u>\$ 1,427,802</u>	<u>\$ 2,144,935</u>

Exhibit G-3

Carroll County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 372,515	\$ 411,050	\$ 411,050	\$ (38,535)
Charges for Current Services	1,175,901	1,315,700	1,315,700	(139,799)
Other Local Revenues	83,335	85,600	85,600	(2,265)
State of Tennessee	53,024	271,700	271,700	(218,676)
Total Revenues	\$ 1,684,775	\$ 2,084,050	\$ 2,084,050	\$ (399,275)
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 1,084,263	\$ 1,116,680	\$ 1,116,680	\$ 32,417
Recycling Center	631,155	749,699	749,699	118,544
<u>Highways</u>				
Litter and Trash Collection	39,836	41,100	41,100	1,264
Total Expenditures	\$ 1,755,254	\$ 1,907,479	\$ 1,907,479	\$ 152,225
Excess (Deficiency) of Revenues Over Expenditures	\$ (70,479)	\$ 176,571	\$ 176,571	\$ (247,050)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 27,296	\$ 0	\$ 0	\$ 27,296
Total Other Financing Sources	\$ 27,296	\$ 0	\$ 0	\$ 27,296
Net Change in Fund Balance	\$ (43,183)	\$ 176,571	\$ 176,571	\$ (219,754)
Fund Balance, July 1, 2016	529,156	589,274	589,274	(60,118)
Fund Balance, June 30, 2017	\$ 485,973	\$ 765,845	\$ 765,845	\$ (279,872)

Exhibit G-4

Carroll County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 140,678	\$ 145,000	\$ 145,000	\$ (4,322)
Other Local Revenues	4,562	0	0	4,562
Total Revenues	<u>\$ 145,240</u>	<u>\$ 145,000</u>	<u>\$ 145,000</u>	<u>\$ 240</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 73,772	\$ 71,362	\$ 71,362	\$ (2,410)
Total Expenditures	<u>\$ 73,772</u>	<u>\$ 71,362</u>	<u>\$ 71,362</u>	<u>\$ (2,410)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 71,468</u>	<u>\$ 73,638</u>	<u>\$ 73,638</u>	<u>\$ (2,170)</u>
Net Change in Fund Balance	\$ 71,468	\$ 73,638	\$ 73,638	\$ (2,170)
Fund Balance, July 1, 2016	<u>147,307</u>	<u>132,447</u>	<u>132,447</u>	<u>14,860</u>
Fund Balance, June 30, 2017	<u><u>\$ 218,775</u></u>	<u><u>\$ 206,085</u></u>	<u><u>\$ 206,085</u></u>	<u><u>\$ 12,690</u></u>

Exhibit G-5

Carroll County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 593,595	\$ 634,556	\$ 598,161	\$ (4,566)
Total Revenues	<u>\$ 593,595</u>	<u>\$ 634,556</u>	<u>\$ 598,161</u>	<u>\$ (4,566)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 357,000	\$ 407,000	\$ 407,000	\$ 50,000
<u>Interest on Debt</u>				
General Government	181,398	213,110	213,110	31,712
<u>Other Debt Service</u>				
General Government	19,584	22,000	22,000	2,416
Total Expenditures	<u>\$ 557,982</u>	<u>\$ 642,110</u>	<u>\$ 642,110</u>	<u>\$ 84,128</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 35,613</u>	<u>\$ (7,554)</u>	<u>\$ (43,949)</u>	<u>\$ 79,562</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 36,395	\$ 0	\$ 36,395	\$ 0
Total Other Financing Sources	<u>\$ 36,395</u>	<u>\$ 0</u>	<u>\$ 36,395</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 72,008	\$ (7,554)	\$ (7,554)	\$ 79,562
Fund Balance, July 1, 2016	<u>1,355,794</u>	<u>1,352,967</u>	<u>1,352,967</u>	<u>2,827</u>
Fund Balance, June 30, 2017	<u><u>\$ 1,427,802</u></u>	<u><u>\$ 1,345,413</u></u>	<u><u>\$ 1,345,413</u></u>	<u><u>\$ 82,389</u></u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Special School District Fund – The Special School District Fund is used to account for property taxes collected for the five-area special school districts and the districts' share of education revenues collected by the county, which must be apportioned between various school systems on an average daily attendance basis. These collections are remitted to the districts monthly.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register of deeds; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

Exhibit H-1

Carroll County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2017

	Agency Funds				
	Cities - Sales Tax	Special School District	Constitu- tional Officers - Agency	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,048,647	\$ 0	\$ 1,048,647
Equity in Pooled Cash and Investments	0	282,993	0	57,915	340,908
Due from Other Governments	442,093	468,335	0	1,300	911,728
Accounts Receivable	0	0	9,679	0	9,679
Taxes Receivable	0	5,546,157	0	0	5,546,157
Allowance for Uncollectible Taxes	0	(247,217)	0	0	(247,217)
Total Assets	<u>\$ 442,093</u>	<u>\$ 6,050,268</u>	<u>\$ 1,058,326</u>	<u>\$ 59,215</u>	<u>\$ 7,609,902</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 442,093	\$ 6,050,268	\$ 0	\$ 0	\$ 6,492,361
Due to Litigants, Heirs, and Others	0	0	1,058,326	59,215	1,117,541
Total Liabilities	<u>\$ 442,093</u>	<u>\$ 6,050,268</u>	<u>\$ 1,058,326</u>	<u>\$ 59,215</u>	<u>\$ 7,609,902</u>

Exhibit H-2

Carroll County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,546,969	\$ 2,546,969	\$ 0
Due from Other Governments	425,766	442,093	425,766	442,093
Total Assets	\$ 425,766	\$ 2,989,062	\$ 2,972,735	\$ 442,093
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 425,766	\$ 2,989,062	\$ 2,972,735	\$ 442,093
Total Liabilities	\$ 425,766	\$ 2,989,062	\$ 2,972,735	\$ 442,093
<u>Special School District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 284,977	\$ 8,228,809	\$ 8,230,793	\$ 282,993
Due from Other Governments	445,341	468,335	445,341	468,335
Taxes Receivable	5,843,267	5,546,157	5,843,267	5,546,157
Allowance for Uncollectible Taxes	(253,751)	(247,217)	(253,751)	(247,217)
Total Assets	\$ 6,319,834	\$ 13,996,084	\$ 14,265,650	\$ 6,050,268
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,319,834	\$ 13,996,084	\$ 14,265,650	\$ 6,050,268
Total Liabilities	\$ 6,319,834	\$ 13,996,084	\$ 14,265,650	\$ 6,050,268
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,492,140	\$ 6,350,946	\$ 6,794,439	\$ 1,048,647
Accounts Receivable	0	9,679	0	9,679
Total Assets	\$ 1,492,140	\$ 6,360,625	\$ 6,794,439	\$ 1,058,326
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,492,140	\$ 6,360,625	\$ 6,794,439	\$ 1,058,326
Total Liabilities	\$ 1,492,140	\$ 6,360,625	\$ 6,794,439	\$ 1,058,326

(Continued)

Exhibit H-2

Carroll County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 40,518	\$ 28,351	\$ 10,954	\$ 57,915
Due from Other Governments	1,365	1,300	1,365	1,300
Total Assets	<u>\$ 41,883</u>	<u>\$ 29,651</u>	<u>\$ 12,319</u>	<u>\$ 59,215</u>
<u>Liabilities</u>				
Due to Litigants, Heirs and Others	\$ 41,883	\$ 29,651	\$ 12,319	\$ 59,215
Total Liabilities	<u>\$ 41,883</u>	<u>\$ 29,651</u>	<u>\$ 12,319</u>	<u>\$ 59,215</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,492,140	\$ 6,350,946	\$ 6,794,439	\$ 1,048,647
Equity in Pooled Cash and Investments	325,495	10,804,129	10,788,716	340,908
Accounts Receivable	0	9,679	0	9,679
Due from Other Governments	872,472	911,728	872,472	911,728
Taxes Receivable	5,843,267	5,546,157	5,843,267	5,546,157
Allowance for Uncollectible Taxes	(253,751)	(247,217)	(253,751)	(247,217)
Total Assets	<u>\$ 8,279,623</u>	<u>\$ 23,375,422</u>	<u>\$ 24,045,143</u>	<u>\$ 7,609,902</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,745,600	\$ 16,985,146	\$ 17,238,385	\$ 6,492,361
Due to Litigants, Heirs, and Others	1,534,023	6,390,276	6,806,758	1,117,541
Total Liabilities	<u>\$ 8,279,623</u>	<u>\$ 23,375,422</u>	<u>\$ 24,045,143</u>	<u>\$ 7,609,902</u>

Carroll County School Department

This section presents combining and individual fund financial statements for the Carroll County School Department, a discretely presented component unit. The Carroll County School Department uses a General Fund and a Special Revenue Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Transportation Fund – The School Transportation Fund is used to account for transportation of all students in the county school system and the special school districts.

Exhibit I-1

Carroll County, Tennessee
Statement of Activities
Discretely Presented Carroll County School Department
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 1,046,370	\$ 746,768	\$ 15,627	\$ (283,975)
Support Services	2,943,440	49,249	95,000	(2,799,191)
Operation of Non-instructional Services	58,007	1,416	21,246	(35,345)
Total Governmental Activities	\$ 4,047,817	\$ 797,433	\$ 131,873	\$ (3,118,511)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 530,630
Local Option Sales Taxes				60,646
Other Local Taxes				46
Grants and Contributions Not Restricted to Specific Programs				2,836,261
Miscellaneous				18,741
Total General Revenues				\$ 3,446,324
Change in Net Position				\$ 327,813
Net Position, July 1, 2016				10,954,655
Net Position, June 30, 2017				\$ 11,282,468

Exhibit I-2

Carroll County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Carroll County School Department
June 30, 2017

	<u>Major Funds</u>		
	<u>General</u>	<u>School</u>	<u>Total</u>
	<u>Purpose</u>	<u>Transpor -</u>	<u>Governmental</u>
	<u>School</u>	<u>tation</u>	<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 5,600,444	\$ 2,234,830	\$ 7,835,274
Due from Other Governments	11,449	0	11,449
Property Taxes Receivable	0	388,769	388,769
Allowance for Uncollectible Property Taxes	0	(21,441)	(21,441)
Total Assets	<u>\$ 5,611,893</u>	<u>\$ 2,602,158</u>	<u>\$ 8,214,051</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 22,015	\$ 1,727	\$ 23,742
Due to Primary Government	0	23,223	23,223
Total Liabilities	<u>\$ 22,015</u>	<u>\$ 24,950</u>	<u>\$ 46,965</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 346,713	\$ 346,713
Deferred Delinquent Property Taxes	0	13,902	13,902
Other Deferred/Unavailable Revenue	5,146	0	5,146
Total Deferred Inflows of Resources	<u>\$ 5,146</u>	<u>\$ 360,615</u>	<u>\$ 365,761</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Instruction	\$ 11,924	\$ 0	\$ 11,924
Restricted for Operation of Non-instructional Services	3,765	0	3,765
Committed:			
Committed for Education	220,973	0	220,973
Committed for Support Services	0	2,216,593	2,216,593
Assigned:			
Assigned for Support Services	165,488	0	165,488
Unassigned	5,182,582	0	5,182,582
Total Fund Balances	<u>\$ 5,584,732</u>	<u>\$ 2,216,593</u>	<u>\$ 7,801,325</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,611,893</u>	<u>\$ 2,602,158</u>	<u>\$ 8,214,051</u>

Exhibit I-3

Carroll County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Carroll County School Department
June 30, 2017

Amounts reported for governmental activities in the
statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 7,801,325
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 176,489	
Add: buildings and improvements net of accumulated depreciation	753,335	
Add: other capital assets net of accumulated depreciation	<u>2,528,675</u>	3,458,499
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability	\$ (37,355)	
Less: net pension liability - agent pension plan	(67,566)	
Less: net pension liability - teacher legacy pension plan	<u>(125,270)</u>	(230,191)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as a component of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 479,506	
Less: deferred inflows of resources related to pensions	<u>(245,719)</u>	233,787
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>19,048</u>
Net position of governmental activities (Exhibit A)		<u>\$ 11,282,468</u>

Exhibit I-4

Carroll County, TennesseeStatement of Revenues, Expenditures,and Changes in Fund Balances -Governmental FundsDiscretely Presented Carroll County School DepartmentFor the Year Ended June 30, 2017

	Major Funds		Total
	General Purpose School	School Transpor - tation	Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 60,299	\$ 621,439	\$ 681,738
Licenses and Permits	37	0	37
Charges for Current Services	797,428	0	797,428
Other Local Revenues	18,750	0	18,750
State of Tennessee	2,111,434	780,040	2,891,474
Federal Government	19,436	0	19,436
Total Revenues	<u>\$ 3,007,384</u>	<u>\$ 1,401,479</u>	<u>\$ 4,408,863</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,010,189	\$ 0	\$ 1,010,189
Support Services	1,571,789	1,353,778	2,925,567
Operation of Non-Instructional Services	44,334	0	44,334
Capital Outlay	22,226	0	22,226
Total Expenditures	<u>\$ 2,648,538</u>	<u>\$ 1,353,778</u>	<u>\$ 4,002,316</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 358,846</u>	<u>\$ 47,701</u>	<u>\$ 406,547</u>
Net Change in Fund Balances	\$ 358,846	\$ 47,701	\$ 406,547
Fund Balance, July 1, 2016	<u>5,225,886</u>	<u>2,168,892</u>	<u>7,394,778</u>
Fund Balance, June 30, 2017	<u><u>\$ 5,584,732</u></u>	<u><u>\$ 2,216,593</u></u>	<u><u>\$ 7,801,325</u></u>

Exhibit I-5

Carroll County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Carroll County School Department
For the Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit I-4)		\$	406,547
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	262,717	
Less: current-year depreciation expense		(425,576)	(162,859)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of capital assets disposed			(2,979)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2017	\$	19,048	
Less: deferred delinquent property taxes and other deferred June 30, 2016		(52,281)	(33,233)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability	\$	6,940	
Change in net pension asset/liability - agent plan		(81,300)	
Change in net pension liability - teacher legacy pension plan		(115,813)	
Change in deferred outflows related to pensions		247,552	
Change in deferred inflows related to pensions		62,958	120,337
Change in net position of governmental activities (Exhibit B)		\$	<u>327,813</u>

Exhibit I-6

Carroll County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Carroll County School Department
General Purpose School Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 60,299	\$ 0	\$ 0	\$ 60,299	\$ 70,075	\$ 70,075	\$ (9,776)
Licenses and Permits	37	0	0	37	45	45	(8)
Charges for Current Services	797,428	0	0	797,428	705,500	705,500	91,928
Other Local Revenues	18,750	0	0	18,750	50,260	50,260	(31,510)
State of Tennessee	2,111,434	0	0	2,111,434	2,181,555	2,183,330	(71,896)
Federal Government	19,436	0	0	19,436	17,000	17,000	2,436
Total Revenues	\$ 3,007,384	\$ 0	\$ 0	\$ 3,007,384	\$ 3,024,435	\$ 3,026,210	\$ (18,826)
<u>Expenditures</u>							
<u>Instruction</u>							
Alternative Instruction Program	\$ 78,986	\$ 0	\$ 0	\$ 78,986	\$ 83,904	\$ 83,904	\$ 4,918
Special Education Program	519,419	0	0	519,419	559,381	559,381	39,962
Career and Technical Education Program	411,784	0	0	411,784	462,105	462,105	50,321
<u>Support Services</u>							
Attendance	36,663	0	0	36,663	45,809	45,809	9,146
Health Services	128,981	0	0	128,981	145,967	145,967	16,986
Other Student Support	52,162	0	0	52,162	80,242	80,242	28,080
Special Education Program	84,002	0	0	84,002	90,675	90,675	6,673
Career and Technical Education Program	46,900	0	0	46,900	49,364	49,364	2,464
Technology	118,383	0	0	118,383	132,637	132,637	14,254
Adult Programs	1,981	0	0	1,981	3,000	3,000	1,019
Other Programs	1,775	0	0	1,775	5,000	6,775	5,000
Board of Education	174,601	0	0	174,601	199,347	199,347	24,746
Director of Schools	127,504	0	0	127,504	147,633	147,633	20,129
Office of the Principal	85,726	0	0	85,726	100,175	100,175	14,449
Fiscal Services	129,522	0	0	129,522	135,592	135,592	6,070
Operation of Plant	138,266	0	0	138,266	175,000	175,000	36,734
Maintenance of Plant	101,943	0	0	101,943	117,273	117,273	15,330
Transportation	343,380	(262,717)	165,488	246,151	471,032	733,749	487,598

(Continued)

Exhibit I-6

Carroll County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Carroll County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Operation of Non-instructional Services</u>							
Food Service	\$ 44,334	\$ 0	\$ 0	\$ 44,334	\$ 51,106	\$ 51,106	\$ 6,772
<u>Capital Outlay</u>							
Regular Capital Outlay	22,226	0	0	22,226	200,000	200,000	177,774
Total Expenditures	<u>\$ 2,648,538</u>	<u>\$ (262,717)</u>	<u>\$ 165,488</u>	<u>\$ 2,551,309</u>	<u>\$ 3,255,242</u>	<u>\$ 3,519,734</u>	<u>\$ 968,425</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 358,846</u>	<u>\$ 262,717</u>	<u>\$ (165,488)</u>	<u>\$ 456,075</u>	<u>\$ (230,807)</u>	<u>\$ (493,524)</u>	<u>\$ 949,599</u>
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ (5,000)</u>
Net Change in Fund Balance	\$ 358,846	\$ 262,717	\$ (165,488)	\$ 456,075	\$ (225,807)	\$ (488,524)	\$ 944,599
Fund Balance, July 1, 2016	<u>5,225,886</u>	<u>(262,717)</u>	<u>0</u>	<u>4,963,169</u>	<u>5,240,593</u>	<u>5,240,593</u>	<u>(277,424)</u>
Fund Balance, June 30, 2017	<u>\$ 5,584,732</u>	<u>\$ 0</u>	<u>\$ (165,488)</u>	<u>\$ 5,419,244</u>	<u>\$ 5,014,786</u>	<u>\$ 4,752,069</u>	<u>\$ 667,175</u>

Exhibit I-7

Carroll County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Carroll County School Department
School Transportation Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 621,439	\$ 606,632	\$ 606,632	\$ 14,807
State of Tennessee	780,040	830,015	830,015	(49,975)
Total Revenues	<u>\$ 1,401,479</u>	<u>\$ 1,436,647</u>	<u>\$ 1,436,647</u>	<u>\$ (35,168)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 21,438	\$ 26,500	\$ 26,500	\$ 5,062
Transportation	1,332,340	1,451,360	1,451,360	119,020
Total Expenditures	<u>\$ 1,353,778</u>	<u>\$ 1,477,860</u>	<u>\$ 1,477,860</u>	<u>\$ 124,082</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 47,701</u>	<u>\$ (41,213)</u>	<u>\$ (41,213)</u>	<u>\$ 88,914</u>
Net Change in Fund Balance	\$ 47,701	\$ (41,213)	\$ (41,213)	\$ 88,914
Fund Balance, July 1, 2016	<u>2,168,892</u>	<u>1,864,811</u>	<u>1,864,811</u>	<u>304,081</u>
Fund Balance, June 30, 2017	<u>\$ 2,216,593</u>	<u>\$ 1,823,598</u>	<u>\$ 1,823,598</u>	<u>\$ 392,995</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Carroll County, Tennessee
Schedule of Changes in Long-term Notes and Other Loans
For the Year Ended June 30, 2017

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-17
<u>NOTES PAYABLE</u>								
<u>Payable through Highway/Public Works Fund</u>								
Dump Trucks	\$ 241,000	2.65	% 12-14-11	12-1-16	\$ 51,000	\$ 0	\$ 51,000	\$ 0
Road Improvements	100,000	2	9-30-13	9-1-16	34,000	0	34,000	0
Road Improvements	170,000	2.05	8-12-16	8-1-20	0	170,000	0	170,000
Equipment	210,000	2.1	11-8-16	10-1-19	0	210,000	0	210,000
Total Payable through Highway/Public Works Fund					<u>\$ 85,000</u>	<u>\$ 380,000</u>	<u>\$ 85,000</u>	<u>\$ 380,000</u>
<u>Payable through General Debt Service Fund</u>								
Emergency Operations Center	550,000	2.47	11-8-16	11-1-26	\$ 0	\$ 550,000	\$ 0	\$ 550,000
Total Notes Payable					<u>\$ 85,000</u>	<u>\$ 930,000</u>	<u>\$ 85,000</u>	<u>\$ 930,000</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Courthouse and Jail Renovation	2,200,000	Variable	1-15-04	5-25-28	\$ 1,079,000	\$ 0	\$ 89,000	\$ 990,000
Jail Renovation	8,164,130	2.32	2-22-12	3-1-37	7,153,000	0	268,000	6,885,000
Total Other Loans Payable					<u>\$ 8,232,000</u>	<u>\$ 0</u>	<u>\$ 357,000</u>	<u>\$ 7,875,000</u>

Exhibit J-2

Carroll County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 159,000	\$ 19,731	\$ 178,731
2019	162,000	16,197	178,197
2020	166,000	12,586	178,586
2021	97,000	9,652	106,652
2022	54,000	7,879	61,879
2023	56,000	6,521	62,521
2024	57,000	5,125	62,125
2025	58,000	3,705	61,705
2026	60,000	2,248	62,248
2027	61,000	753	61,753
Total	\$ 930,000	\$ 84,397	\$ 1,014,397

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2018	\$ 366,000	\$ 168,992	\$ 7,499	\$ 542,491
2019	376,000	161,766	6,891	544,657
2020	385,000	154,339	6,263	545,602
2021	395,000	146,756	5,615	547,371
2022	405,000	138,990	4,947	548,937
2023	416,000	131,023	4,259	551,282
2024	426,000	122,852	3,545	552,397
2025	437,000	114,496	2,811	554,307
2026	448,000	105,943	2,051	555,994
2027	385,000	97,229	1,311	483,540
2028	345,000	88,995	0	433,995
2029	353,000	80,991	0	433,991
2030	361,000	72,802	0	433,802
2031	370,000	64,426	0	434,426
2032	378,000	55,842	0	433,842
2033	387,000	47,073	0	434,073
2034	396,000	38,094	0	434,094
2035	406,000	28,907	0	434,907
2036	415,000	19,488	0	434,488
2037	425,000	9,860	0	434,860
Total	\$ 7,875,000	\$ 1,848,864	\$ 45,192	\$ 9,769,056

Exhibit J-3

Carroll County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2017

From Fund	To Fund	Purpose	Amount
Public Utility	General	Payment in-lieu-of taxes	\$ 320,090
"	Solid Waste/Sanitation	"	27,296
"	Highway/Public Works	"	24,263
"	General Debt Service	"	<u>36,395</u>
Total Transfers			<u>\$ 408,044</u>

Exhibit J-4

Carroll County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Carroll County School Department
For the Year Ended June 30, 2017

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> , and County Commission	\$ 97,614 (1)	\$ 100,000	RLI Insurance Company
Highway Commissioners	Section 8-24-102, <i>TCA</i> , and County Commission	113,976 (2)	200,000 (3)	"
Director of Schools	State Board of Education and Carroll County Board of Education	94,732 (4)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	69,221	774,472	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	69,221	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	69,221	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	69,221	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	69,221 (5)	100,000	Auto-Owners Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	69,221	100,000	RLI Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	78,681 (6)	100,000	"
Employee Bonds:				
Employee Blanket Bond - General County Government			400,000	Local Government Property and Casualty Fund
Board of Education			400,000	Tennessee Risk Management Trust

(1) Includes a purchasing agent salary of \$15,000.

(2) Includes two highway commissioners' salaries at \$56,988 each.

(3) Includes two highway commissioners' bonds at \$100,000 each.

(4) Includes a chief executive officer training supplement of \$1,000.

(5) Does not include special commissioner fees of \$3,849.

(6) Does not include a law enforcement training supplement of \$1,200.

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2017

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 4,204,171	\$ 337,503	\$ 0	\$ 0	\$ 300,003
Trustee's Collections - Prior Year	133,992	11,584	0	0	10,296
Circuit Clerk/Clerk and Master Collections - Prior Years	120,360	11,631	0	0	10,437
Interest and Penalty	29,226	2,333	0	0	2,082
Payments in-Lieu-of Taxes - T.V.A.	12	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	14,037	1,064	0	0	946
Payments in-Lieu-of Taxes - Other	98,505	8,400	0	0	7,467
<u>County Local Option Taxes</u>					
Local Option Sales Tax	173,627	0	0	0	0
Wheel Tax	844,434	0	0	0	474,994
Litigation Tax - General	54,178	0	0	0	0
Litigation Tax - Special Purpose	85,406	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	178,175	0	0	0	0
Mixed Drink Tax	2	0	0	0	0
Mineral Severance Tax	0	0	0	0	51,429
<u>Statutory Local Taxes</u>					
Bank Excise Tax	124,484	0	0	0	0
Wholesale Beer Tax	64,536	0	0	0	0
Beer Privilege Tax	1,941	0	0	0	0
Interstate Telecommunications Tax	1,302	0	0	0	0
Total Local Taxes	\$ 6,128,388	\$ 372,515	\$ 0	\$ 0	\$ 857,654

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Licenses and Permits</u>					
<u>Permits</u>					
Building Permits	\$ 150	\$ 0	\$ 0	\$ 0	\$ 0
Other Permits	75	0	0	0	0
Total Licenses and Permits	<u>\$ 225</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 851	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	5,063	0	0	0	0
Drug Control Fines	5,004	0	5,835	0	0
Drug Court Fees	1,450	0	0	0	0
Jail Fees	4,720	0	0	0	0
DUI Treatment Fines	332	0	0	0	0
Data Entry Fee - Circuit Court	1,252	0	0	0	0
Victims Assistance Assessments	3,660	0	0	0	0
<u>General Sessions Court</u>					
Fines	25,147	0	0	0	0
Officers Costs	60,816	0	0	0	0
Game and Fish Fines	450	0	0	0	0
Drug Control Fines	6,884	0	6,167	0	0
Drug Court Fees	6,759	0	0	0	0
Jail Fees	15,960	0	0	0	0
Judicial Commissioner Fees	114	0	0	0	0
DUI Treatment Fines	5,874	0	0	0	0
Data Entry Fee - General Sessions Court	7,090	0	0	0	0
Courtroom Security Fee	11	0	0	0	0
Victims Assistance Assessments	23,639	0	0	0	0

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Officers Costs	\$ 733	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Juvenile Court	1,332	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	2,040	0	0	0	0
Data Entry Fee - Chancery Court	4,246	0	0	0	0
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	110,167	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	4,664	0	18,509	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 188,091</u>	<u>\$ 0</u>	<u>\$ 140,678</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Residential Waste Collection Charge	\$ 0	\$ 1,159,060	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fee	0	854	0	0	0
Surcharge - Waste Tire Disposal	0	15,987	0	0	0
Other General Service Charges	13,915	0	0	0	0
<u>Fees</u>					
Archives and Records Management Fee	9,404	0	0	0	0
Greenbelt Late Application Fee	500	0	0	0	0
Telephone Commissions	45,810	0	0	0	0
Vending Machine Collections	300	0	0	0	54
Constitutional Officers' Fees and Commissions	0	0	0	84,526	0
Data Processing Fee - Register	8,010	0	0	0	0
Data Processing Fee - Sheriff	4,737	0	0	0	0

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Sexual Offender Registration Fee - Sheriff	\$ 4,950	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - County Clerk	2,436	0	0	0	0
<u>Education Charges</u>					
Tuition - Other	113	0	0	0	0
Contract for Instructional Services with Other LEA's	222,207	0	0	0	0
Total Charges for Current Services	\$ 312,382	\$ 1,175,901	\$ 0	\$ 84,526	\$ 54
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 41,535	\$ 652	\$ 0	\$ 0	\$ 0
Lease/Rentals	45,569	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	50
Commissary Sales	33,003	0	0	0	0
Sale of Gasoline	122,565	0	0	0	0
Sale of Recycled Materials	0	82,683	0	0	0
Miscellaneous Refunds	98,434	0	2,562	0	29,062
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	2,589
Sale of Property	3,807	0	0	0	0
Contributions and Gifts	46,886	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	86,379	0	2,000	0	0
Total Other Local Revenues	\$ 478,178	\$ 83,335	\$ 4,562	\$ 0	\$ 31,701

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
Clerk and Master	\$ 23,335	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees In-Lieu-of Salary</u>					
County Clerk	254,007	0	0	0	0
Circuit Court Clerk	89,826	0	0	0	0
General Sessions Court Clerk	142,864	0	0	0	0
Juvenile Court Clerk	34,812	0	0	0	0
Register	94,333	0	0	0	0
Sheriff	13,175	0	0	0	0
Trustee	365,224	0	0	0	0
Total Fees Received From County Officials	\$ 1,017,576	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	29,719	0	0	0	0
Alternative School Program	643,884	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	15,000	0	0	0	0
Other Public Safety Grants	7,005	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	307,597	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	548,144
Litter Program	0	32,332	0	0	0

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 22,200	\$ 0	\$ 0	\$ 0	0
Beer Tax	18,415	0	0	0	0
Vehicle Certificate of Title Fees	7,866	0	0	0	0
Alcoholic Beverage Tax	76,420	0	0	0	0
Contracted Prisoner Boarding	752,395	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,015,790
Petroleum Special Tax	0	0	0	0	20,580
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	82,863	20,692	0	0	0
Other State Revenues	363,855	0	0	0	0
Total State of Tennessee	\$ 2,346,883	\$ 53,024	\$ 0	\$ 0	\$ 2,584,514
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 42,000	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	13,922	0	0	0	0
Other Federal through State	435,466	0	0	0	0
Total Federal Government	\$ 491,388	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 1,824	\$ 0	\$ 0	\$ 0	0
<u>Citizens Groups</u>					
Donations	9,000	0	0	0	0

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Other Governments and Citizens Groups (Cont.)</u>					
<u>Other</u>					
Other	\$ 17,997	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 28,821	\$ 0	\$ 0	\$ 0	\$ 0
 Total	 \$ 10,991,932	 \$ 1,684,775	 \$ 145,240	 \$ 84,526	 \$ 3,473,923

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund		
	General Debt Service		Total
<hr/>			
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 450,003	\$	5,291,680
Trustee's Collections - Prior Year	15,433		171,305
Circuit Clerk/Clerk and Master Collections - Prior Years	16,099		158,527
Interest and Penalty	3,124		36,765
Payments in-Lieu-of Taxes - T.V.A.	0		12
Payments in-Lieu-of Taxes - Local Utilities	1,418		17,465
Payments in-Lieu-of Taxes - Other	11,200		125,572
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0		173,627
Wheel Tax	0		1,319,428
Litigation Tax - General	0		54,178
Litigation Tax - Special Purpose	0		85,406
Litigation Tax - Jail, Workhouse, or Courthouse	96,318		96,318
Business Tax	0		178,175
Mixed Drink Tax	0		2
Mineral Severance Tax	0		51,429
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0		124,484
Wholesale Beer Tax	0		64,536
Beer Privilege Tax	0		1,941
Interstate Telecommunications Tax	0		1,302
Total Local Taxes	\$ 593,595	\$	7,952,152

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund		
	General Debt Service		Total
<hr/>			
<u>Licenses and Permits</u>			
<u>Permits</u>			
Building Permits	\$	0	\$ 150
Other Permits		0	75
Total Licenses and Permits	<u>\$</u>	<u>0</u>	<u>\$ 225</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$	0	\$ 851
Officers Costs		0	5,063
Drug Control Fines		0	10,839
Drug Court Fees		0	1,450
Jail Fees		0	4,720
DUI Treatment Fines		0	332
Data Entry Fee - Circuit Court		0	1,252
Victims Assistance Assessments		0	3,660
<u>General Sessions Court</u>			
Fines		0	25,147
Officers Costs		0	60,816
Game and Fish Fines		0	450
Drug Control Fines		0	13,051
Drug Court Fees		0	6,759
Jail Fees		0	15,960
Judicial Commissioner Fees		0	114
DUI Treatment Fines		0	5,874
Data Entry Fee - General Sessions Court		0	7,090
Courtroom Security Fee		0	11
Victims Assistance Assessments		0	23,639

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service		
	Fund		
	General		
	Debt		
	Service		Total
<hr/>			
Fines, Forfeitures, and Penalties (Cont.)			
<u>Juvenile Court</u>			
Officers Costs	\$	0	\$ 733
Data Entry Fee - Juvenile Court		0	1,332
<u>Chancery Court</u>			
Officers Costs		0	2,040
Data Entry Fee - Chancery Court		0	4,246
<u>Judicial District Drug Program</u>			
Drug Task Force Forfeitures and Seizures		0	110,167
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property		0	23,173
Total Fines, Forfeitures, and Penalties	<u>\$</u>	<u>0</u>	<u>\$ 328,769</u>
<hr/>			
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Residential Waste Collection Charge	\$	0	\$ 1,159,060
Solid Waste Disposal Fee		0	854
Surcharge - Waste Tire Disposal		0	15,987
Other General Service Charges		0	13,915
<u>Fees</u>			
Archives and Records Management Fee		0	9,404
Greenbelt Late Application Fee		0	500
Telephone Commissions		0	45,810
Vending Machine Collections		0	354
Constitutional Officers' Fees and Commissions		0	84,526
Data Processing Fee - Register		0	8,010
Data Processing Fee - Sheriff		0	4,737

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund		
	General Debt Service		Total
<hr/>			
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Sexual Offender Registration Fee - Sheriff	\$	0	\$ 4,950
Data Processing Fee - County Clerk		0	2,436
<u>Education Charges</u>			
Tuition - Other		0	113
Contract for Instructional Services with Other LEA's		0	222,207
Total Charges for Current Services	\$	0	\$ 1,572,863
<hr/>			
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	0	\$ 42,187
Lease/Rentals		0	45,569
Sale of Materials and Supplies		0	50
Commissary Sales		0	33,003
Sale of Gasoline		0	122,565
Sale of Recycled Materials		0	82,683
Miscellaneous Refunds		0	130,058
<u>Nonrecurring Items</u>			
Sale of Equipment		0	2,589
Sale of Property		0	3,807
Contributions and Gifts		0	46,886
<u>Other Local Revenues</u>			
Other Local Revenues		0	88,379
Total Other Local Revenues	\$	0	\$ 597,776

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund		
	General Debt Service		Total
<hr/>			
Fees Received From County Officials			
<u>Excess Fees</u>			
Clerk and Master	\$	0	\$ 23,335
<u>Fees In-Lieu-of Salary</u>			
County Clerk		0	254,007
Circuit Court Clerk		0	89,826
General Sessions Court Clerk		0	142,864
Juvenile Court Clerk		0	34,812
Register		0	94,333
Sheriff		0	13,175
Trustee		0	365,224
Total Fees Received From County Officials	<u>\$</u>	<u>0</u>	<u>\$ 1,017,576</u>
<hr/>			
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$	0	\$ 4,500
Aging Programs		0	29,719
Alternative School Program		0	643,884
<u>Public Safety Grants</u>			
Law Enforcement Training Programs		0	15,000
Other Public Safety Grants		0	7,005
<u>Health and Welfare Grants</u>			
Health Department Programs		0	307,597
<u>Public Works Grants</u>			
State Aid Program		0	548,144
Litter Program		0	32,332

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund		
	General Debt Service		Total
<hr/>			
<u>State of Tennessee (Cont.)</u>			
<u>Other State Revenues</u>			
Income Tax	\$	0	\$ 22,200
Beer Tax		0	18,415
Vehicle Certificate of Title Fees		0	7,866
Alcoholic Beverage Tax		0	76,420
Contracted Prisoner Boarding		0	752,395
Gasoline and Motor Fuel Tax		0	2,015,790
Petroleum Special Tax		0	20,580
Registrar's Salary Supplement		0	15,164
Other State Grants		0	103,555
Other State Revenues		0	363,855
Total State of Tennessee	\$	0	\$ 4,984,421
<hr/>			
<u>Federal Government</u>			
<u>Federal Through State</u>			
Civil Defense Reimbursement	\$	0	\$ 42,000
Homeland Security Grants		0	13,922
Other Federal through State		0	435,466
Total Federal Government	\$	0	\$ 491,388
<hr/>			
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Prisoner Board	\$	0	\$ 1,824
<u>Citizens Groups</u>			
Donations		0	9,000

(Continued)

Exhibit J-5

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund		
	General Debt Service		Total
<hr/>			
<u>Other Governments and Citizens Groups (Cont.)</u>			
<u>Other</u>			
Other	\$	0	\$ 17,997
Total Other Governments and Citizens Groups	\$	0	\$ 28,821
Total	\$	593,595	\$ 16,973,991

Exhibit J-6

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Carroll County School Department
For the Year Ended June 30, 2017

		Special Revenue Fund	
	General Purpose School	School Transpor - tation	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$ 525,028	\$ 525,028
Trustee's Collections - Prior Year	0	17,996	17,996
Circuit Clerk/Clerk and Master Collections - Prior Years	0	17,601	17,601
Interest and Penalty	0	3,631	3,631
Payments in-Lieu-of Taxes - Local Utilities	0	44,116	44,116
Payments in-Lieu-of Taxes - Other	0	13,067	13,067
<u>County Local Option Taxes</u>			
Local Option Sales Tax	60,248	0	60,248
<u>Statutory Local Taxes</u>			
Interstate Telecommunications Tax	51	0	51
Total Local Taxes	\$ 60,299	\$ 621,439	\$ 681,738
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 37	\$ 0	\$ 37
Total Licenses and Permits	\$ 37	\$ 0	\$ 37
<u>Charges for Current Services</u>			
<u>Education Charges</u>			
Tuition - Other	\$ 1,809	\$ 0	\$ 1,809
Lunch Payments - Children	382	0	382
Lunch Payments - Adults	1,034	0	1,034
Transportation - Other State Systems	49,244	0	49,244
Contract for Instructional Services with Other LEA's	668,224	0	668,224
Other Charges for Services	76,735	0	76,735
Total Charges for Current Services	\$ 797,428	\$ 0	\$ 797,428
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 4	\$ 0	\$ 4
Sale of Materials and Supplies	5	0	5
Miscellaneous Refunds	2,588	0	2,588
<u>Nonrecurring Items</u>			
Sale of Equipment	10,890	0	10,890
Sale of Property	210	0	210
Contributions and Gifts	5,053	0	5,053
Total Other Local Revenues	\$ 18,750	\$ 0	\$ 18,750

(Continued)

Exhibit J-6

Carroll County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Carroll County School Department (Cont.)

	Special Revenue Fund		
	General Purpose School	School Transpor - tation	Total
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
On-behalf Contributions for OPEB	\$ 1,775	\$ 0	\$ 1,775
<u>State Education Funds</u>			
Basic Education Program	1,999,001	0	1,999,001
Other State Education Funds	103,658	0	103,658
Career Ladder Program	7,000	0	7,000
<u>Other State Revenues</u>			
State Revenue Sharing - T.V.A.	0	780,040	780,040
Total State of Tennessee	<u>\$ 2,111,434</u>	<u>\$ 780,040</u>	<u>\$ 2,891,474</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA School Lunch Program	\$ 14,440	\$ 0	\$ 14,440
USDA - Commodities	1,552	0	1,552
USDA - Other	184	0	184
USDA Food Service Equipment Grant	3,260	0	3,260
Total Federal Government	<u>\$ 19,436</u>	<u>\$ 0</u>	<u>\$ 19,436</u>
Total	<u>\$ 3,007,384</u>	<u>\$ 1,401,479</u>	<u>\$ 4,408,863</u>

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2017

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	27,050	
Social Security		1,653	
Pensions		5,882	
Unemployment Compensation		60	
Employer Medicare		387	
Audit Services		10,268	
Dues and Memberships		3,359	
Legal Notices, Recording, and Court Costs		1,106	
Periodicals		447	
Other Charges		1,087	
Total County Commission			\$ 51,299

Board of Equalization

Board and Committee Members Fees	\$	1,620	
Data Processing Services		6,932	
Total Board of Equalization			8,552

Other Boards and Committees

Secretary(ies)	\$	24	
Board and Committee Members Fees		150	
Social Security		1	
Pensions		2	
Employee and Dependent Insurance		2	
Total Other Boards and Committees			179

County Mayor/Executive

County Official/Administrative Officer	\$	82,614	
Assistant(s)		44,301	
Purchasing Personnel		15,000	
Secretary(ies)		52,703	
Part-time Personnel		8,880	
Social Security		11,615	
Pensions		15,388	
Employee and Dependent Insurance		24,453	
Unemployment Compensation		257	
Employer Medicare		2,717	
Communication		2,820	
Data Processing Services		2,552	
Dues and Memberships		2,000	
Maintenance Agreements		3,927	
Postal Charges		3,089	
Printing, Stationery, and Forms		1,207	
Travel		6,456	
Office Supplies		4,101	
Office Equipment		480	
Total County Mayor/Executive			284,560

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)County Attorney

Consultants	\$	2,750	
Legal Services		<u>5,057</u>	
Total County Attorney			\$ 7,807

Election Commission

County Official/Administrative Officer	\$	62,299	
Deputy(ies)		22,289	
Part-time Personnel		12,510	
Election Commission		3,710	
Election Workers		25,343	
Social Security		5,761	
Pensions		7,002	
Employee and Dependent Insurance		5,939	
Unemployment Compensation		226	
Employer Medicare		1,347	
Communication		2,281	
Legal Notices, Recording, and Court Costs		2,573	
Maintenance Agreements		15,687	
Maintenance and Repair Services - Equipment		1,413	
Postal Charges		2,287	
Printing, Stationery, and Forms		5,158	
Travel		2,042	
Office Supplies		4,380	
Office Equipment		<u>1,326</u>	
Total Election Commission			183,573

Register of Deeds

County Official/Administrative Officer	\$	69,221	
Deputy(ies)		54,185	
Social Security		7,209	
Pensions		10,008	
Employee and Dependent Insurance		16,512	
Unemployment Compensation		128	
Employer Medicare		1,686	
Communication		3,293	
Data Processing Services		9,918	
Dues and Memberships		768	
Maintenance Agreements		2,854	
Postal Charges		110	
Travel		611	
Other Contracted Services		2,375	
Office Supplies		1,831	
Office Equipment		<u>2,981</u>	
Total Register of Deeds			183,690

County Buildings

Custodial Personnel	\$	21,749	
---------------------	----	--------	--

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Maintenance Personnel	\$	30,568	
Social Security		2,930	
Pensions		4,283	
Employee and Dependent Insurance		15,037	
Unemployment Compensation		128	
Employer Medicare		685	
Communication		1,253	
Maintenance Agreements		4,722	
Maintenance and Repair Services - Buildings		78,261	
Maintenance and Repair Services - Equipment		6,936	
Maintenance and Repair Services - Vehicles		1,621	
Permits		235	
Custodial Supplies		10,276	
Electricity		73,367	
Gasoline		2,299	
Natural Gas		10,516	
Water and Sewer		6,629	
Other Supplies and Materials		3,420	
Building and Contents Insurance		73,652	
Liability Insurance		140,000	
Other Charges		12,982	
Building Construction		869,469	
Building Improvements		329,175	
Communication Equipment		95,381	
Data Processing Equipment		25,266	
Total County Buildings			\$ 1,820,840

FinanceProperty Assessor's Office

County Official/Administrative Officer	\$	69,221	
Deputy(ies)		79,653	
In-service Training		135	
Social Security		8,535	
Pensions		12,074	
Employee and Dependent Insurance		23,443	
Unemployment Compensation		214	
Employer Medicare		1,996	
Communication		2,171	
Contracts with Private Agencies		20,050	
Dues and Memberships		1,700	
Maintenance Agreements		2,828	
Postal Charges		484	
Travel		348	
Gasoline		131	
Office Supplies		3,894	
Total Property Assessor's Office			226,877

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)Reappraisal Program

Deputy(ies)	\$	14,942	
Data Processing Services		3,688	
Total Reappraisal Program			\$ 18,630

County Trustee's Office

County Official/Administrative Officer	\$	69,221	
Deputy(ies)		56,383	
Part-time Personnel		2,845	
Social Security		7,281	
Pensions		10,187	
Employee and Dependent Insurance		25,331	
Unemployment Compensation		151	
Employer Medicare		1,703	
Communication		1,788	
Data Processing Services		13,247	
Dues and Memberships		1,418	
Legal Notices, Recording, and Court Costs		206	
Maintenance Agreements		3,055	
Postal Charges		9,955	
Travel		1,799	
Office Supplies		1,646	
Office Equipment		549	
Total County Trustee's Office			206,765

County Clerk's Office

County Official/Administrative Officer	\$	69,221	
Deputy(ies)		103,868	
Part-time Personnel		2,594	
Social Security		10,069	
Pensions		13,768	
Employee and Dependent Insurance		30,631	
Unemployment Compensation		340	
Employer Medicare		2,355	
Communication		1,725	
Data Processing Services		3,000	
Dues and Memberships		693	
Maintenance Agreements		1,694	
Maintenance and Repair Services - Office Equipment		3,467	
Office Supplies		2,626	
Office Equipment		500	
Total County Clerk's Office			246,551

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	69,221	
Deputy(ies)		157,852	
Part-time Personnel		2,932	

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Circuit Court (Cont.)

Board and Committee Members Fees	\$	400	
Jury and Witness Expense		7,861	
Social Security		12,889	
Pensions		18,062	
Employee and Dependent Insurance		39,906	
Unemployment Compensation		435	
Employer Medicare		3,014	
Communication		4,642	
Data Processing Services		16,642	
Dues and Memberships		858	
Legal Notices, Recording, and Court Costs		1,728	
Maintenance Agreements		6,403	
Postal Charges		3,904	
Travel		2,037	
Office Supplies		8,826	
Other Charges		208	
Data Processing Equipment		3,742	
Office Equipment		2,721	
Total Circuit Court			\$ 364,283

General Sessions Judge

Judge(s)	\$	109,000	
Social Security		6,427	
Pensions		8,840	
Employee and Dependent Insurance		12,965	
Employer Medicare		1,503	
Dues and Memberships		275	
Travel		1,056	
Total General Sessions Judge			140,066

Drug Court

Other Per Diem and Fees	\$	7,500	
Total Drug Court			7,500

Chancery Court

Deputy(ies)	\$	106,184	
Social Security		5,779	
Pensions		8,612	
Employee and Dependent Insurance		31,122	
Unemployment Compensation		256	
Employer Medicare		1,351	
Communication		2,526	
Data Processing Services		9,775	
Dues and Memberships		638	
Maintenance Agreements		2,583	
Postal Charges		501	
Office Supplies		4,185	
Refunds		12,063	
Total Chancery Court			185,575

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Juvenile Court

Supervisor/Director	\$	52,822	
Youth Service Officer(s)		40,296	
Guidance Personnel		36,324	
Social Security		7,185	
Pensions		10,169	
Employee and Dependent Insurance		26,814	
Unemployment Compensation		159	
Employer Medicare		1,680	
Communication		1,502	
Maintenance Agreements		341	
Postal Charges		106	
Travel		208	
Other Contracted Services		450	
Office Supplies		1	
Total Juvenile Court			\$ 178,057

Judicial Commissioners

Board and Committee Members Fees	\$	4,800	
Social Security		298	
Employer Medicare		70	
Total Judicial Commissioners			5,168

Victim Assistance Programs

Remittance of Revenue Collected	\$	40,000	
Total Victim Assistance Programs			40,000

Public SafetySheriff's Department

County Official/Administrative Officer	\$	78,681	
Deputy(ies)		813,849	
Detective(s)		17,088	
Investigator(s)		124,491	
Salary Supplements		15,000	
Part-time Personnel		12,602	
Overtime Pay		68,470	
Other Salaries and Wages		24,732	
In-service Training		26,103	
Social Security		67,651	
Pensions		89,528	
Employee and Dependent Insurance		180,272	
Unemployment Compensation		1,939	
Employer Medicare		15,822	
Communication		15,584	
Contracts with Other Public Agencies		4,438	
Dues and Memberships		2,740	
Maintenance Agreements		29,291	
Maintenance and Repair Services - Equipment		2,097	

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

Maintenance and Repair Services - Vehicles	\$	51,910	
Postal Charges		2,504	
Travel		11,086	
Electricity		8,922	
Gasoline		83,814	
Law Enforcement Supplies		4,222	
Office Supplies		9,897	
Uniforms		10,679	
Water and Sewer		382	
Other Supplies and Materials		1,792	
Other Charges		315	
Data Processing Equipment		8,750	
Motor Vehicles		113,911	
Other Equipment		39,398	
Total Sheriff's Department			\$ 1,937,960

Administration of the Sexual Offender Registry

Remittance of Revenue Collected	\$	1,350	
Data Processing Equipment		1,281	
Total Administration of the Sexual Offender Registry			2,631

Jail

Dispatchers/Radio Operators	\$	199,227	
Guards		944,567	
Clerical Personnel		34,564	
Cafeteria Personnel		50,360	
Maintenance Personnel		33,392	
Part-time Personnel		52,168	
Overtime Pay		53,689	
Other Salaries and Wages		28,637	
In-service Training		2,560	
Social Security		79,795	
Pensions		107,178	
Employee and Dependent Insurance		211,994	
Unemployment Compensation		3,207	
Employer Medicare		18,662	
Communication		12,416	
Maintenance Agreements		19,016	
Maintenance and Repair Services - Equipment		7,369	
Medical and Dental Services		198,982	
Travel		5,280	
Custodial Supplies		21,564	
Electricity		73,995	
Food Supplies		197,080	
Library Books/Media		807	
Natural Gas		20,932	
Prisoners Clothing		9,972	

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Uniforms	\$	9,475	
Water and Sewer		37,375	
Other Supplies and Materials		9,945	
Office Equipment		714	
Other Equipment		1,435	
Total Jail			\$ 2,446,357

Juvenile Services

Educational Assistants	\$	622,404	
In-service Training		64	
Social Security		36,209	
Pensions		50,293	
Employee and Dependent Insurance		85,985	
Unemployment Compensation		1,422	
Employer Medicare		8,468	
Communication		5,957	
Dues and Memberships		715	
Licenses		920	
Maintenance Agreements		2,904	
Maintenance and Repair Services - Equipment		320	
Maintenance and Repair Services - Vehicles		5,837	
Medical and Dental Services		7,305	
Postal Charges		282	
Travel		1,407	
Other Contracted Services		5,546	
Custodial Supplies		4,724	
Food Supplies		30,547	
Gasoline		16,021	
Instructional Supplies and Materials		5,808	
Office Supplies		5,526	
Other Supplies and Materials		17,704	
Building and Contents Insurance		739	
Liability Insurance		13,254	
Workers' Compensation Insurance		3,500	
Other Charges		3,880	
Motor Vehicles		62,637	
Office Equipment		2,103	
Total Juvenile Services			1,002,481

Fire Prevention and Control

Supervisor/Director	\$	40,444	
Other Salaries and Wages		22,400	
In-service Training		1,395	
Social Security		3,595	
Pensions		5,097	
Employee and Dependent Insurance		13,363	
Unemployment Compensation		128	

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Fire Prevention and Control (Cont.)

Employer Medicare	\$	841	
Communication		5,409	
Dues and Memberships		1,030	
Maintenance and Repair Services - Equipment		7,478	
Maintenance and Repair Services - Vehicles		49,582	
Travel		14,583	
Gasoline		12,028	
Office Supplies		5,087	
Liability Insurance		7,689	
Other Charges		3,168	
Communication Equipment		15,487	
Motor Vehicles		92,000	
Other Equipment		42,182	
Total Fire Prevention and Control			\$ 342,986

Civil Defense

Supervisor/Director	\$	40,444	
In-service Training		852	
Social Security		2,168	
Pensions		3,280	
Employee and Dependent Insurance		12,926	
Unemployment Compensation		64	
Employer Medicare		507	
Communication		5,438	
Dues and Memberships		330	
Maintenance Agreements		4,155	
Maintenance and Repair Services - Equipment		1,666	
Maintenance and Repair Services - Vehicles		402	
Travel		238	
Gasoline		843	
Office Supplies		6,642	
Other Supplies and Materials		14,014	
Other Charges		5,917	
Other Equipment		6,470	
Total Civil Defense			106,356

County Coroner/Medical Examiner

Medical Personnel	\$	12,000	
Other Per Diem and Fees		4,800	
Contracts with Government Agencies		12,520	
Transportation - Other than Students		1,790	
Travel		1,277	
Total County Coroner/Medical Examiner			32,387

Public Health and WelfareLocal Health Center

Medical Personnel	\$	139,725	
-------------------	----	---------	--

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

Clerical Personnel	\$	82,441	
Social Security		12,621	
Pensions		17,541	
Employee and Dependent Insurance		39,306	
Unemployment Compensation		320	
Employer Medicare		2,952	
Communication		10,032	
Contracts with Government Agencies		26,060	
Dues and Memberships		200	
Janitorial Services		8,700	
Maintenance and Repair Services - Buildings		3,973	
Maintenance and Repair Services - Equipment		186	
Maintenance and Repair Services - Office Equipment		209	
Travel		12,006	
Other Contracted Services		5,629	
Custodial Supplies		1,227	
Drugs and Medical Supplies		828	
Office Supplies		1,288	
Utilities		16,452	
Other Supplies and Materials		29,178	
Office Equipment		200	
Total Local Health Center			\$ 411,074

Rabies and Animal Control

Communication	\$	665	
Maintenance and Repair Services - Vehicles		371	
Pest Control		12,000	
Veterinary Services		460	
Animal Food and Supplies		42	
Gasoline		386	
Total Rabies and Animal Control			13,924

General Welfare Assistance

Contributions	\$	500	
Other Charges		300	
Total General Welfare Assistance			800

Other Local Welfare Services

Dues and Memberships	\$	13,428	
Total Other Local Welfare Services			13,428

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Supervisor/Director	\$	24,891	
Social Workers		16,437	
Other Salaries and Wages		14,097	
Social Security		3,247	

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Senior Citizens Assistance (Cont.)

Pensions	\$	3,352	
Employee and Dependent Insurance		6,144	
Unemployment Compensation		241	
Employer Medicare		759	
Communication		2,580	
Contracts with Other Public Agencies		4,200	
Contracts with Private Agencies		1,886	
Licenses		810	
Maintenance Agreements		350	
Printing, Stationery, and Forms		2,611	
Travel		1,952	
Food Supplies		2,086	
Gasoline		1,201	
Office Supplies		729	
Other Charges		7,293	
Total Senior Citizens Assistance			\$ 94,866

Libraries

Assistant(s)	\$	18,581	
Librarians		21,300	
Other Salaries and Wages		16,646	
Social Security		2,990	
Pensions		4,306	
Employee and Dependent Insurance		13,455	
Unemployment Compensation		134	
Employer Medicare		699	
Communication		4,916	
Dues and Memberships		515	
Maintenance and Repair Services - Equipment		1,240	
Travel		1,017	
Other Contracted Services		80	
Library Books/Media		4,471	
Office Supplies		3,187	
Periodicals		474	
Other Supplies and Materials		1,860	
Other Charges		4,535	
Office Equipment		1,683	
Total Libraries			102,089

Parks and Fair Boards

Supervisor/Director	\$	45,504	
Part-time Personnel		12,015	
Social Security		3,319	
Pensions		3,690	
Employee and Dependent Insurance		12,766	
Unemployment Compensation		151	
Employer Medicare		776	

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Parks and Fair Boards (Cont.)

Communication	\$	1,626	
Maintenance Agreements		338	
Maintenance and Repair Services - Buildings		11,325	
Maintenance and Repair Services - Equipment		1,844	
Remittance of Revenue Collected		1,470	
Other Contracted Services		865	
Custodial Supplies		4,042	
Office Supplies		332	
Utilities		31,376	
Furniture and Fixtures		76	
Total Parks and Fair Boards			\$ 131,515

Other Social, Cultural, and Recreational

Contracts with Government Agencies	\$	250,691	
Total Other Social, Cultural, and Recreational			250,691

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	32,676	
Secretary(ies)		6,296	
Other Fringe Benefits		10,167	
Communication		1,461	
Travel		2,000	
Total Agricultural Extension Service			52,600

Forest Service

Dues and Memberships	\$	2,000	
Total Forest Service			2,000

Soil Conservation

Secretary(ies)	\$	24,532	
Social Security		1,502	
Pensions		1,990	
Unemployment Compensation		64	
Employer Medicare		351	
Total Soil Conservation			28,439

Flood Control

Dues and Memberships	\$	8,250	
Total Flood Control			8,250

Other OperationsIndustrial Development

Dues and Memberships	\$	10,000	
Total Industrial Development			10,000

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Other Operations (Cont.)Other Economic and Community Development

Dues and Memberships	\$	17,000	
Other Charges		49,862	
Total Other Economic and Community Development			\$ 66,862

Airport

Supervisor/Director	\$	34,030	
Part-time Personnel		14,735	
Social Security		2,691	
Pensions		2,760	
Employee and Dependent Insurance		12,776	
Unemployment Compensation		163	
Employer Medicare		629	
Communication		3,887	
Maintenance and Repair Services - Buildings		7,685	
Maintenance and Repair Services - Equipment		4,997	
Custodial Supplies		214	
Gasoline		95,297	
Office Supplies		657	
Utilities		15,829	
Liability Insurance		3,000	
Airport Improvement		651,440	
Total Airport			850,790

Veterans' Services

Supervisor/Director	\$	24,000	
Social Security		1,488	
Unemployment Compensation		64	
Employer Medicare		348	
Communication		1,003	
Maintenance Agreements		340	
Postal Charges		145	
Office Supplies		388	
Total Veterans' Services			27,776

Other Charges

Handling Charges and Administrative Costs	\$	19,030	
Library Books/Media		12,000	
Road Signs		1,464	
Premiums on Corporate Surety Bonds		750	
Trustee's Commission		114,303	
Workers' Compensation Insurance		124,556	
Liability Claims		58,548	
Total Other Charges			330,651

Contributions to Other Agencies

Contributions	\$	52,250	
Total Contributions to Other Agencies			52,250

Total General Fund \$ 12,479,135

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation FundPublic Health and WelfareWaste Pickup

Clerical Personnel	\$	27,273	
Social Security		1,587	
Pensions		2,212	
Employee and Dependent Insurance		2,706	
Unemployment Compensation		64	
Employer Medicare		371	
Communication		1,079	
Contracts with Private Agencies		969,730	
Postal Charges		634	
Maintenance and Repair Services - Records		76,567	
Office Supplies		1,374	
Other Charges		586	
Office Equipment		80	
Total Waste Pickup			\$ 1,084,263

Recycling Center

Supervisor/Director	\$	51,470	
Clerical Personnel		27,273	
Other Salaries and Wages		157,371	
Social Security		13,458	
Pensions		18,559	
Employee and Dependent Insurance		54,696	
Unemployment Compensation		502	
Employer Medicare		3,149	
Communication		1,277	
Contracts with Private Agencies		19,574	
Freight Expenses		6,270	
Legal Notices, Recording, and Court Costs		128	
Maintenance and Repair Services - Buildings		3,610	
Maintenance and Repair Services - Equipment		1,427	
Maintenance and Repair Services - Vehicles		4,579	
Transportation - Other than Students		586	
Travel		22	
Brokerage Fees - Recyclables		28	
Custodial Supplies		259	
Electricity		4,224	
Gasoline		16,395	
Natural Gas		2,025	
Office Supplies		243	
Other Supplies and Materials		180	
Building and Contents Insurance		2,600	
Liability Insurance		4,950	
Trustee's Commission		19,531	
Workers' Compensation Insurance		10,000	
Other Charges		3,880	
Building Construction		161,654	
Other Equipment		41,235	
Total Recycling Center			631,155

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)HighwaysLitter and Trash Collection

Truck Drivers	\$	23,187	
Social Security		1,423	
Employee and Dependent Insurance		8	
Unemployment Compensation		137	
Employer Medicare		331	
Contracts with Government Agencies		636	
Maintenance and Repair Services - Vehicles		1,980	
Gasoline		2,184	
Other Supplies and Materials		135	
Other Charges		9,815	
Total Litter and Trash Collection			<u>\$ 39,836</u>

Total Solid Waste/Sanitation Fund \$ 1,755,254

Drug Control FundPublic SafetyDrug Enforcement

Deputy(ies)	\$	39,886	
Salary Supplements		600	
Guards		612	
Overtime Pay		3,555	
Social Security		1,602	
Pensions		2,473	
Employee and Dependent Insurance		3,759	
Unemployment Compensation		64	
Employer Medicare		375	
Bank Charges		30	
Communication		1,723	
Dues and Memberships		1,150	
Travel		2,259	
Veterinary Services		1,107	
Animal Food and Supplies		827	
Trustee's Commission		1,286	
Law Enforcement Equipment		1,214	
Special Education Equipment		2,478	
Other Equipment		8,772	
Total Drug Enforcement			<u>\$ 73,772</u>

Total Drug Control Fund 73,772

Constitutional Officers - Fees FundAdministration of JusticeChancery Court

Constitutional Officers' Operating Expenses	\$	91,421	
Total Chancery Court			<u>\$ 91,421</u>

Total Constitutional Officers - Fees Fund 91,421

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	113,976	
Clerical Personnel		58,220	
Communication		4,903	
Contracts with Other Public Agencies		6,035	
Data Processing Services		12,794	
Dues and Memberships		3,115	
Evaluation and Testing		1,274	
Medical and Dental Services		160	
Postal Charges		94	
Printing, Stationery, and Forms		1,131	
Data Processing Supplies		613	
Drugs and Medical Supplies		249	
Electricity		5,173	
Natural Gas		1,343	
Office Supplies		578	
Utilities		1,108	
Water and Sewer		724	
Building and Contents Insurance		7,500	
Data Processing Equipment		132	
Other Equipment		784	
Total Administration			\$ 219,906

Highway and Bridge Maintenance

Foremen	\$	55,415	
Equipment Operators		496,868	
Contracts with Private Agencies		4,625	
Asphalt - Cold Mix		396	
Asphalt - Liquid		39,378	
Concrete		63	
Crushed Stone		16,956	
Fertilizer, Lime, and Seed		188	
General Construction Materials		167	
Ice		691	
Other Road Materials		391	
Pipe - Metal		29,590	
Road Signs		8,574	
Uniforms		6,574	
Wood Products		346	
Chemicals		772	
Other Supplies and Materials		1,851	
Total Highway and Bridge Maintenance			662,845

Operation and Maintenance of Equipment

Mechanic(s)	\$	75,033	
Maintenance Personnel		47,288	
Maintenance and Repair Services - Equipment		6,830	
Maintenance and Repair Services - Vehicles		1,066	

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Operation and Maintenance of Equipment (Cont.)

Towing Services	\$	300	
Diesel Fuel		63,586	
Equipment and Machinery Parts		128,793	
Garage Supplies		8,672	
Gasoline		26,252	
Lubricants		10,532	
Small Tools		359	
Tires and Tubes		48,376	
Other Supplies and Materials		100	
Other Charges		866	
Total Operation and Maintenance of Equipment			\$ 418,053

Other Charges

Liability Insurance	\$	24,000	
Trustee's Commission		32,686	
Workers' Compensation Insurance		69,492	
Liability Claims		365	
Total Other Charges			126,543

Employee Benefits

Social Security	\$	57,198	
Pensions		68,005	
Medical Insurance		342,644	
Unemployment Compensation		8,098	
Total Employee Benefits			475,945

Capital Outlay

Bridge Construction	\$	97,939	
Communication Equipment		169	
Highway Construction		758,325	
Motor Vehicles		47,981	
Office Equipment		217	
State Aid Projects		548,133	
Other Equipment		218,038	
Total Capital Outlay			1,670,802

Principal on DebtHighways and Streets

Principal on Notes	\$	85,000	
Total Highways and Streets			85,000

Interest on DebtHighways and Streets

Interest on Notes	\$	4,404	
Total Highways and Streets			4,404

Total Highway/Public Works Fund \$ 3,663,498

(Continued)

Exhibit J-7

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

<u>General Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>General Government</u>			
Principal on Other Loans	\$	357,000	
Total General Government			\$ 357,000
<u>Interest on Debt</u>			
<u>General Government</u>			
Interest on Other Loans	\$	181,398	
Total General Government			181,398
<u>Other Debt Service</u>			
<u>General Government</u>			
Trustee's Commission	\$	11,512	
Other Debt Service		8,072	
Total General Government			<u>19,584</u>
Total General Debt Service Fund			<u>\$ 557,982</u>
Total Governmental Funds - Primary Government			<u><u>\$ 18,621,062</u></u>

Exhibit J-8

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Carroll County School Department
For the Year Ended June 30, 2017

General Purpose School Fund

Instruction

Alternative Instruction Program

Teachers	\$	39,928	
Educational Assistants		16,330	
Non-certified Substitute Teachers		775	
Social Security		3,078	
Pensions		4,956	
Medical Insurance		11,529	
Employer Medicare		720	
Instructional Supplies and Materials		1,670	
Total Alternative Instruction Program			\$ 78,986

Special Education Program

Teachers	\$	312,929	
Career Ladder Program		2,875	
Educational Assistants		64,244	
Bonus Payments		3,608	
Certified Substitute Teachers		171	
Non-certified Substitute Teachers		2,714	
Social Security		22,605	
Pensions		33,853	
Medical Insurance		53,217	
Employer Medicare		5,297	
Maintenance and Repair Services - Equipment		680	
Printing, Stationery, and Forms		548	
Travel		348	
Other Contracted Services		6,812	
Instructional Supplies and Materials		5,165	
Other Supplies and Materials		2,956	
Other Charges		414	
Special Education Equipment		983	
Total Special Education Program			519,419

Career and Technical Education Program

Teachers	\$	278,949	
Bonus Payments		3,608	
Other Salaries and Wages		1,188	
Certified Substitute Teachers		3,576	
Non-certified Substitute Teachers		2,471	
Social Security		17,716	
Pensions		25,874	
Medical Insurance		26,091	
Employer Medicare		4,143	
Travel		22	
Instructional Supplies and Materials		22,164	
Textbooks - Bound		2,560	
Other Supplies and Materials		237	
Other Charges		395	
Vocational Instruction Equipment		22,790	
Total Career and Technical Education Program			411,784

(Continued)

Exhibit J-8

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Carroll County School Department (Cont.)

General Purpose School Fund (Cont.)

Support ServicesAttendance

Clerical Personnel	\$	26,144	
Social Security		1,567	
Pensions		2,120	
Medical Insurance		6,003	
Employer Medicare		366	
Other Contracted Services		6	
In Service/Staff Development		457	
Total Attendance			\$ 36,663

Health Services

Medical Personnel	\$	27,287	
Other Salaries and Wages		72,610	
Social Security		5,891	
Pensions		7,995	
Employer Medicare		1,378	
Communication		618	
Printing, Stationery, and Forms		614	
Travel		1,681	
Drugs and Medical Supplies		717	
Instructional Supplies and Materials		184	
Other Supplies and Materials		6,669	
In Service/Staff Development		1,268	
Other Charges		676	
Health Equipment		1,393	
Total Health Services			128,981

Other Student Support

Secretary(ies)	\$	26,144	
Other Salaries and Wages		229	
Social Security		1,562	
Pensions		2,120	
Medical Insurance		6,214	
Employer Medicare		367	
Evaluation and Testing		278	
Operating Lease Payments		10,795	
Travel		3,195	
Other Supplies and Materials		1,258	
Total Other Student Support			52,162

Special Education Program

Supervisor/Director	\$	61,257	
Bonus Payments		722	
Social Security		3,707	
Pensions		5,603	
Medical Insurance		6,191	
Employer Medicare		867	

(Continued)

Exhibit J-8

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Carroll County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Special Education Program (Cont.)

Other Supplies and Materials	\$	211	
In Service/Staff Development		4,424	
Other Charges		525	
Other Equipment		495	
Total Special Education Program			\$ 84,002

Career and Technical Education Program

Secretary(ies)	\$	26,144	
Social Security		1,268	
Pensions		2,120	
Medical Insurance		6,046	
Employer Medicare		297	
In Service/Staff Development		10,614	
Other Charges		411	
Total Career and Technical Education Program			46,900

Technology

Other Salaries and Wages	\$	40,440	
Social Security		2,439	
Pensions		3,280	
Medical Insurance		6,214	
Employer Medicare		570	
Communication		18,928	
Other Contracted Services		13,680	
Other Supplies and Materials		8,692	
In Service/Staff Development		723	
Other Charges		4,128	
Administration Equipment		1,246	
Other Equipment		18,043	
Total Technology			118,383

Adult Programs

Communication	\$	1,981	
Total Adult Programs			1,981

Other Programs

On-behalf Payments to OPEB	\$	1,775	
Total Other Programs			1,775

Board of Education

Board and Committee Members Fees	\$	6,100	
Social Security		378	
Unemployment Compensation		5,721	
Employer Medicare		88	
Other Fringe Benefits		275	
Audit Services		3,075	

(Continued)

Exhibit J-8

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Carroll County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Board of Education (Cont.)

Dues and Memberships	\$	3,086	
Other Contracted Services		356	
Liability Insurance		66,871	
Trustee's Commission		5,193	
Workers' Compensation Insurance		70,967	
In Service/Staff Development		6,843	
Criminal Investigation of Applicants - TBI		806	
Other Charges		4,842	
Total Board of Education			\$ 174,601

Director of Schools

County Official/Administrative Officer	\$	93,732	
Career Ladder Program		1,000	
Social Security		5,418	
Pensions		8,564	
Medical Insurance		7,716	
Employer Medicare		1,267	
Communication		2,160	
Dues and Memberships		1,658	
Postal Charges		2,282	
Travel		256	
In Service/Staff Development		3,394	
Other Charges		57	
Total Director of Schools			127,504

Office of the Principal

Principals	\$	66,837	
Bonus Payments		722	
Social Security		4,147	
Pensions		6,107	
Medical Insurance		6,003	
Employer Medicare		970	
Communication		216	
Dues and Memberships		25	
In Service/Staff Development		699	
Total Office of the Principal			85,726

Fiscal Services

Accountants/Bookkeepers	\$	48,410	
Clerical Personnel		36,431	
Other Salaries and Wages		2,096	
Social Security		5,241	
Pensions		7,029	
Medical Insurance		12,428	
Employer Medicare		1,230	
Data Processing Services		10,330	

(Continued)

Exhibit J-8

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Carroll County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Fiscal Services (Cont.)

Data Processing Supplies	\$	1,084	
Office Supplies		870	
In Service/Staff Development		244	
Office Equipment		4,129	
Total Fiscal Services			\$ 129,522

Operation of Plant

Janitorial Services	\$	37,899	
Disposal Fees		3,425	
Other Contracted Services		4,458	
Custodial Supplies		20,761	
Electricity		50,964	
Natural Gas		17,145	
Water and Sewer		3,235	
Plant Operation Equipment		379	
Total Operation of Plant			138,266

Maintenance of Plant

Maintenance Personnel	\$	55,553	
Other Salaries and Wages		2,204	
Social Security		3,526	
Pensions		4,505	
Medical Insurance		6,214	
Employer Medicare		825	
Maintenance and Repair Services - Buildings		9,898	
Maintenance and Repair Services - Equipment		9,584	
Travel		130	
Other Contracted Services		672	
Other Supplies and Materials		7,453	
Other Charges		640	
Maintenance Equipment		739	
Total Maintenance of Plant			101,943

Transportation

Bus Drivers	\$	41,505	
Other Salaries and Wages		22,425	
Social Security		3,964	
Pensions		4,720	
Employer Medicare		927	
Communication		3,898	
Other Charges		416	
Transportation Equipment		262,717	
Other Equipment		2,808	
Total Transportation			343,380

(Continued)

Exhibit J-8

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Carroll County School Department (Cont.)

General Purpose School Fund (Cont.)Operation of Non-instructional ServicesFood Service

Cafeteria Personnel	\$	13,265	
Other Salaries and Wages		318	
Social Security		763	
Pensions		1,108	
Medical Insurance		6,214	
Employer Medicare		179	
Maintenance and Repair Services - Equipment		1,479	
Travel		80	
Food Supplies		12,706	
USDA - Commodities		1,552	
Other Supplies and Materials		1,100	
Other Charges		758	
Food Service Equipment		4,812	
Total Food Service			\$ 44,334

Capital OutlayRegular Capital Outlay

Building Improvements	\$	22,226	
Total Regular Capital Outlay			22,226

Total General Purpose School Fund \$ 2,648,538

School Transportation FundSupport ServicesBoard of Education

Other Fringe Benefits	\$	343	
Trustee's Commission		20,115	
Other Charges		980	
Total Board of Education			\$ 21,438

Transportation

Supervisor/Director	\$	42,408	
Mechanic(s)		96,657	
Bus Drivers		500,685	
Clerical Personnel		27,097	
Other Salaries and Wages		27,248	
Social Security		41,641	
Pensions		53,897	
Medical Insurance		30,849	
Employer Medicare		9,884	
Laundry Service		8,705	
Maintenance and Repair Services - Equipment		5,671	
Maintenance and Repair Services - Vehicles		77,844	
Medical and Dental Services		4,938	
Travel		47	
Other Contracted Services		17,350	

(Continued)

Exhibit J-8

Carroll County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Carroll County School Department (Cont.)

School Transportation Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Diesel Fuel	\$	158,244	
Garage Supplies		1,998	
Gasoline		3,596	
Lubricants		6,974	
Small Tools		251	
Tires and Tubes		51,521	
Vehicle Parts		152,358	
Gravel and Chert		649	
Other Supplies and Materials		583	
In Service/Staff Development		2,339	
Other Charges		8,906	
Total Transportation			<u>\$ 1,332,340</u>

Total School Transportation Fund \$ 1,353,778

Total Governmental Funds - Carroll County School Department \$ 4,002,316

Exhibit J-9

Carroll County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2017

	Cities Sales Tax Fund	Special School District Fund	Total
<u>Cash Receipts</u>			
Circuit/Clerk & Master Collections - Prior Years	\$ 0	\$ 160,639	\$ 160,639
Local Option Sales Tax	2,546,969	2,648,490	5,195,459
Mixed Drink Tax	0	2	2
Interstate Telecommunications Tax	0	2,463	2,463
City/School District Property Taxes:			
Current Property Tax	0	4,902,246	4,902,246
Prior Year's Property Tax	0	196,864	196,864
Interest and Penalty	0	31,700	31,700
Payments in-Lieu-of Taxes	0	284,799	284,799
Marriage Licenses	0	1,606	1,606
Total Cash Receipts	<u>\$ 2,546,969</u>	<u>\$ 8,228,809</u>	<u>\$ 10,775,778</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 2,521,499	\$ 8,095,560	\$ 10,617,059
Trustee's Commission	25,470	135,233	160,703
Total Cash Disbursements	<u>\$ 2,546,969</u>	<u>\$ 8,230,793</u>	<u>\$ 10,777,762</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ (1,984)	\$ (1,984)
Cash Balance, July 1, 2016	<u>0</u>	<u>284,977</u>	<u>284,977</u>
Cash Balance, June 30, 2017	<u>\$ 0</u>	<u>\$ 282,993</u>	<u>\$ 282,993</u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statement
Performed in Accordance With *Government Auditing Standards***

Carroll County Mayor and
Board of County Commissioners
Carroll County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carroll County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Carroll County's basic financial statements, and have issued our report thereon dated December 19, 2017. Our report includes a reference to other auditors who audited the financial statements of the Carroll County Board of Public Utilities and the Carroll County Indigent Care Board as described in our report on Carroll County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carroll County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Carroll County's internal control. Accordingly, we do not express an opinion on the effectiveness of Carroll County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2017-002 and 2017-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carroll County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2017-001 and 2017-003.

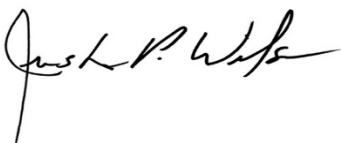
Carroll County's Responses to the Findings

Carroll County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Carroll County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carroll County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 19, 2017

JPW/sb



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Carroll County Mayor and
Board of County Commissioners
Carroll County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Carroll County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Carroll County's major federal programs for the year ended June 30, 2017. Carroll County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Carroll County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Carroll County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Carroll County's compliance.

Opinion on Each Major Federal Program

In our opinion, Carroll County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Carroll County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Carroll County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Carroll County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

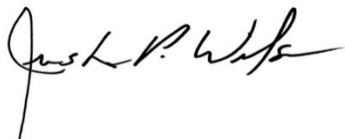
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carroll County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Carroll County's basic financial statements. We issued our report thereon dated December 19, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 19, 2017

JPW/sb

Carroll County, Tennessee, and the Carroll County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2017

Federal/Pass Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
National School Lunch Program	10.555	N/A	\$ 14,624 (5)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	3,260
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	1,552 (5)
Total U.S. Department of Agriculture			<u>\$ 19,436</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 713,804 (6)
Total U.S. Department of Defense			<u>\$ 713,804</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	33004-05105	\$ 64,933
Total U.S. Department of Housing and Urban Development			<u>\$ 64,933</u>
U.S. Department of Justice:			
Passed-through State Department of Children's Services:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	35910-10173	\$ 4,500
Total U.S. Department of Justice			<u>\$ 4,500</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(3)	\$ 370,533
Alcohol Open Container Requirements	20.607	Z16GHS052	7,005
Total U.S. Department of Transportation			<u>\$ 377,538</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for			
Supportive Services and Senior Centers	93.044	(4)	\$ 29,719
Total U.S. Department of Health and Human Services			<u>\$ 29,719</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-09515	\$ 42,000
Homeland Security Grant Program	97.067	34101-23416	13,922
Total U.S. Department of Homeland Security			<u>\$ 55,922</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,265,852</u></u>

(Continued)

Carroll County, Tennessee, and the Carroll County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Juvenile Court Prevention Services - State Department of Children's Services	N/A	35910-20381	\$ 643,884
Local Health Services - State Department of Health	N/A	34360-17415	307,597
Walking Track - State Department of Health	N/A	34360-17415	10,000
Tourism Grant - State Department of Economic and Community Development	N/A	33007-73417	50,000
Rural Assistance - State Appropriation	N/A	(4)	355,913
Litter Program - State Department of Transportation	N/A	Z15LIT009	32,333
Waste Reduction Grant - State Department of Environment and Conservation	N/A	(4)	20,692
Coordinated School Health - State Department of Education	N/A	(4)	95,000
Total State Grants			<u>\$ 1,515,419</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Carroll County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) 09-555-0124-04: \$302,680; 09-555-0725-04: \$67,853.
- (4) Information not available.
- (5) Total for CFDA No. 10.555 is \$16,176.
- (6) During the year ended June 30, 2017, Carroll County received excess military equipment from the U.S. Department of Defense valued at \$713,804.

Carroll County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2017

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Carroll County, Tennessee, for the year ended June 30, 2017.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<u>OFFICE OF COUNTY MAYOR</u>					
2016	182	2016-001	Salaries Exceeded Appropriations in Several Line-Items in the General Fund	N/A	Corrected
<u>OFFICES OF COUNTY MAYOR AND HIGHWAY COMMISSION</u>					
2016	183	2016-002	The Offices had Deficiencies with Insurance Administration Fees	N/A	Corrected
<u>OFFICE OF DIRECTOR OF SCHOOLS</u>					
2016	184	2016-003	Competitive Bids were not Solicited for the Purchase of HVAC Units	N/A	Corrected
<u>OFFICE OF CLERK AND MASTER</u>					
2016	184	2016-004	The Docket Trial Balance was not Reconciled with General Ledger Accounts	N/A	Not Corrected - See Explanation on Corrective Action Plan
<u>OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; AND SHERIFF</u>					
2016	185	2016-005	Duties were not Segregated Adequately	N/A	Corrected for Circuit, General Sessions, and Juvenile Courts Clerk. Not Corrected for Other Offices - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

CARROLL COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Carroll County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Number 12.U01 Section 1033 Excess Property Program
(Noncash Assistance)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF COUNTY MAYOR

FINDING 2017-001 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS** (Noncompliance Under *Government Auditing Standards*)

Our examination revealed deficiencies in budget operations of the office. These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures, and management failed to provide sufficient oversight.

- A. Expenditures exceeded total appropriations approved by the county commission in the Drug Control Fund by \$2,410.
- B. Salaries exceeded appropriations in two of four salary line-items in the Drug Control Fund by \$612 and \$3,827. The budget resolution approved by the county commission states that the salary, wages, or enumeration of each official, employee, or agent of the county shall not exceed expenditures that accompany the resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies."

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding and will monitor the Drug Control Fund to ensure that the fund stays within budgeted amounts.

FINDING 2017-002

**USERNAMES AND PASSWORDS WERE SHARED BY
SOLID WASTE EMPLOYEES**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username and password for accessing the office's accounting software, this information was shared with other employees. Employees also processed transactions using other users' logins. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because employees had access to each other's username and password. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of a lack of management oversight. This deficiency was corrected when brought to the attention of management in August 2017.

RECOMMENDATION

Each employee should access the application using his or her unique username and password to ensure that transactions are properly identified to that employee. Usernames and passwords should remain confidential and should not be shared among employees.

MANAGEMENT'S RESPONSE – COUNTY MAYOR AND SOLID WASTE DIRECTOR

We concur with this finding. Usernames and passwords have been changed and are not shared by solid waste employees. Findings were corrected with assistance from the vendor.

OFFICE OF CLERK AND MASTER

FINDING 2017-003

**THE DOCKET TRIAL BALANCE WAS NOT
RECONCILED WITH GENERAL LEDGER ACCOUNTS**

(Noncompliance Under *Government Auditing Standards*)

At June 30, 2017, the clerk and master had prepared a trial balance of execution docket cause balances as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. However, this trial balance did not reconcile with general ledger accounts by \$41,113. Therefore, we were unable to determine if the clerk and master had complied with provisions of the Unclaimed Property Act, Section 66-29-113, *TCA*. This statute provides that any funds held by the court for one year and unclaimed by the owner are considered abandoned. Section 66-29-113, *TCA*, further requires these funds to be reported and paid to the state Treasurer's Office. This deficiency exists due to the failure of management to identify all funds placed on deposit with the court. Also, this deficiency exists because management failed to correct the finding noted in the prior-year audit report and failed to implement their corrective action plan.

RECOMMENDATION

The execution docket trial balance should be reconciled with general ledger accounts. Any funds held by the court for one year and unclaimed by the owner are considered abandoned and should be reported and paid to the state Treasurer's Office in compliance with state statute.

MANAGEMENT'S RESPONSE – CLERK AND MASTER

I concur with this finding.

OFFICES OF TRUSTEE, CLERK AND MASTER, AND SHERIFF

FINDING 2017-004

DUTIES WERE NOT SEGREGATED ADEQUATELY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees in the Offices of Trustee, Clerk and Master, and Sheriff. Officials and employees responsible for maintaining the accounting records in these offices were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report and the failure to implement their corrective action plan.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – TRUSTEE

I concur with this finding. The duties that were originally established in the internal controls policy have been reviewed and are now being done in proper procedure.

MANAGEMENT'S RESPONSE – CLERK AND MASTER

I concur with this finding.

MANAGEMENT'S RESPONSE – SHERIFF

While I do concur with this finding, due to budgetary restraints, we have no way to alleviate the finding without placing undo hardships on the current staff.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2017.

Carroll County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2017

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
-------------------	------------------	---------------------------------------

OFFICE OF COUNTY MAYOR

2017-001	The Office had Deficiencies in Budget Operations	192
2017-002	Username and Passwords were Shared by Solid Waste Employees	193

OFFICE OF CLERK AND MASTER

2017-003	The Docket Trial Balance was not Reconciled with General Ledger Accounts	194
----------	--	-----

OFFICES OF TRUSTEE, CLERK AND MASTER, AND SHERIFF

2017-004	Duties were not Segregated Adequately - Trustee	197
2017-004	Duties were not Segregated Adequately - Clerk and Master	195
2017-004	Duties were not Segregated Adequately - Sheriff	198

AUDITOR'S COMMENT ON CORRECTIVE ACTION PLAN

2017-004	Duties were not Segregated Adequately - Clerk and Master	196
----------	--	-----

Kenny McBride
CARROLL COUNTY MAYOR
CARROLL COUNTY OFFICE COMPLEX
625 HIGH STREET, SUITE 101
HUNTINGDON, TENNESSEE 38344
PHONE (731) 986-1936 • FAX (731) 986-1935
E Mail kmcbride@carroll.tn.org

Corrective Action Plan

FINDING: THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS
(Noncompliance Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:
Kenny McBride, County Mayor

Person Responsible for Implementing the Corrective Action:
Kenny McBride, County Mayor

Anticipated Completion Date of Corrective Action:
July 31, 2017

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:

Planned Corrective Action:
Management will monitor Drug Fund expenditures to ensure that budget stays within
Budgeted amounts.

Signature:

A handwritten signature in cursive script, appearing to read "Kenny McBride", written over a horizontal line.

Kenny McBride
CARROLL COUNTY MAYOR
CARROLL COUNTY OFFICE COMPLEX
625 HIGH STREET, SUITE 101
HUNTINGDON, TENNESSEE 38344
PHONE (731) 986-1936 • FAX (731) 986-1937
E Mail kmcbride@carroll.tn.org

Corrective Action Plan

**FINDING: USERS AND PASSWORDS WERE SHARED BY
SOLID WASTE EMPLOYEES**

Response and Corrective Action Plan Prepared by:
Kenny McBride, County Mayor

Person Responsible for Implementing the Corrective Action:
Jeff Heyduck, Solid Waste Director

Anticipated Completion Date of Corrective Action:
August 2017

Repeat Finding:
No

Planned Corrective Action:
Findings were corrected with assistance from the vendor.

Kenny McBride, County Mayor

Signature:

Kennedy W. B. B. B.

**KENNETH TODD - CLERK & MASTER
CARROLL COUNTY CHANCERY COURT
99 COURT SQUARE, SUITE 105
HUNTINGDON, TN 38344
PHONE: (731) 986-1920 FAX: (731) 986-6051**

December 18, 2017

CORRECTIVE ACTION PLAN

FINDING: **THE DOCKET TRIAL BALANCE WAS NOT
RECONCILED WITH GENERAL LEDGER ACCOUNTS**
(Noncompliance Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:
Kenneth Todd - Clerk & Master

Person Responsible for Implementing the Corrective Action:
Kenneth Todd - Clerk & Master

Anticipated Completion Date of Corrective Action:
June 30, 2018

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
CTAS in the process of getting someone hired to fill Bobby Phillips position.

Planned Corrective Action:
Will be working with Kelsey Schweitzer, CTAS, who has an accounting degree, to help our bookkeeper and myself identify the items not hitting the Docket Trial Balance!

FINDING: **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:
Kenneth Todd - Clerk & Master

Person Responsible for Implementing the Corrective Action:
Kenneth Todd - Clerk & Master

Anticipated Completion Date of Corrective Action:
ASAP

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:

I thought it had been corrected. It seems that in a small Office where we stagger lunch hours and the bookkeeper is the only employee in the Office, and someone comes in to pay court costs, delinquent taxes or child support, that the bookkeeper is not supposed to help these customers!!! Even though the bookkeeper's actions are reviewed by myself or the First Deputy Clerk & Master.

Planned Corrective Action:

I really don't know how to answer this. At some point a little common sense has to prevail in small Office situations. Tell me, what do we do when the bookkeeper is the only employee in the Office and a customer comes in to make a payment?

Signature: _____


Kenneth Todd - Clerk & Master

DATE: December 18, 2017

AUDITOR'S COMMENT ON CLERK AND MASTER'S CORRECTIVE ACTION PLAN FOR FINDING 2017-004

The Comptroller's Office and County Technical Assistance Service have provided guidelines to assist the clerk in properly segregating duties. These guidelines have suggestions for small offices with as little as two employees. It is the responsibility of the clerk and master to assign the work in his office to best implement segregation of duties. Since there are four employees in the office in addition to the official, an adequate segregation of duties would be possible.

PAULA BOLEN, TRUSTEE
CARROLL COUNTY TRUSTEE
695 HIGH STREET, SUITE 106
HUNTINGDON, TN 38344
731-986-1941
731-986-13339Fax)

Corrective Action Plan

FINDING: DUTIES WERE NOT SEGREGATED ADEQUATELY
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:
Paula Bolen, Trustee

Person Responsible for Implementing the Corrective Action:
Paula Bolen, Trustee

Anticipated Completion Date of Corrective Action:
10/16/2017

Repeat Finding:
No

Planned Corrective Action:
This corrected action has already been taken. It was established in the original Internal Controls but lapsed back to the original duties of the deputies at some point during this audit year.

Signature:

Paula Bolen, Trustee

12/11/17



Carroll County Sheriff's Department

Sheriff Andy Dickson • 200 Norandal Drive • Huntingdon, TN 38344

Corrective Action Plan

FINDING: DUTIES WERE NOT SEGREGATED ADEQUATELY
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:
Andy Dickson Sheriff

Person Responsible for Implementing the Corrective Action:
Andy Dickson Sheriff

Anticipated Completion Date of Corrective Action:
12-15-2017

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Budgetary Restraints

Planned Corrective Action:
Segregate duties to the extent possible using available resources.

Signature: _____

A handwritten signature in black ink, appearing to read "A. Dickson", written over a horizontal line.

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Carroll County.

CARROLL COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Carroll County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission, resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.